LEGISLATURE of THE STATE of KANSAS

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MEMORANDUM

To:

Chairman Masterson and Members of the Committee on Utilities

From:

Office of Revisor of Statutes

Date:

March 11, 2020

Subject:

House Bill 2618

House Bill 2618 establishes the state broadband deployment grant program. The program would award grants to applicants seeking to expand broadband internet access in Kansas. The program's funding amount would be subject to appropriation acts.

The program would be administered by the office of broadband development in the department of commerce. Additionally, the office would work with cities and counties across the state to promote the program and serve as the program's point of contact. The bill urges the office to seek to award grants for applications in all regions of the state.

Applications would be submitted to the office of broadband development and must include the following information:

- 1. Description of project area;
- 2. description of the broadband internet infrastructure proposed;
- 3. number of locations that would have broadband access or upgrades; and
- 4. cost and timeframe of the project's completion.

House Bill 2618 provides that each fiscal year, 30 days before applications could be submitted, the office would publish criteria and scoring for the applications on its website. Within 15 days after applications close, the office would publish the proposed areas and speeds in each application on its website. Within 45 days of publishing such information, a broadband internet service provider that provides existing service in or next to the proposed area could challenge the application. Any challenge must be written and submitted to the office of broadband development and demonstrate that the challenging provider:

- 1. Is currently providing service in the proposed area;
- 2. has begun construction to provide service in the proposed area; or
- 3. has committed to providing service in the proposed area within the application's proposed timeline.

Within three days of a challenge submission, the office of broadband development would notify the applicant of such challenge. The office would evaluate each challenge and decide whether the existing broadband provider currently provides, has begun to provide or is committed to providing service in the proposed area within the application's proposed timeline, then the office may deny the application. If such existing provider does not fulfill its commitment that served as the basis for the denial, the office shall not consider a challenge from the provider for the next two grant cycles.

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In evaluating the application, the office will create a scoring system that includes the following elements:

- 1. Financial, technical and legal capacity of the applicant to deploy and operate the service;
- 2. locations served in the most cost-efficient manner considering the project area density;
- 3. available minimum broadband speeds;
- 4. ability of the infrastructure for higher broadband speeds;
- 5. applicant's commitment to fund 50% of the project outside the grant funds;
- 6. how long the provider has been operating, operating broadband services, and where;
- 7. offering of new or upgraded service important to communities;
- 8. offering of service to economically distressed areas of the state;
- 9. ability to provide technical support and training to the community to use the service;
- 10. plans to actively promote the new service;
- 11. support for the project from the community;
- 12. provider's cooperation with the community in the proposed area; and
- 13. the likelihood of the proposed city or county to give the provider access to the public right-of-way.

Grants could not fund more than 50% of the project's cost. Additionally, the office would require deployment benchmarks and deadlines. If the applicant does not meet such benchmarks and deadlines, the office would not provide any grants to the applicant for the next two grant cycles.

House Bill 2618 requires the department of commerce, in consultation with the office of broadband development, to promulgate any necessary rules and regulations. As amended in the house committee on energy, utilities and telecommunications, the bill requires that the department of commerce publish on its website and provide to the legislature a report regarding applications, challenges and other related activity.