

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of IdeaTek )  
Telecom, LLC as an Eligible )  
Telecommunications Carrier for Purposes of ) Docket No. 19- WLDT- 102 -ETC  
Receiving Federal Universal Service Support )  
As Awarded Under the Connect America )  
Fund Phase II Auction (Auction 903) )  
Program. )

**APPLICATION OF IDEATEK TELECOM, LLC FOR DESIGNATION  
AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN KANSAS**

COMES NOW IdeaTek Telcom, LLC (IdeaTek), pursuant to the Telecommunications Act of 1996, 47 U.S.C. § 214(e)(2) (the “Act”) and the rules of the Federal Communications Commission (“FCC”), 47 C.F.R. §54.201, and hereby requests that the State Corporation Commission of the State of Kansas (“KCC” or “Commission”) designate IdeaTek as an Eligible Telecommunications Carrier (“ETC”) pursuant to the provisions of 47 C.F.R. 54.201(d). IdeaTek seeks ETC designation so that it may receive support from the Federal Universal Service Fund (“FUSF”), including support from the Federal Communication Commission’s (“FCC”) high-cost FUSF programs through funds awarded under the Connect America Fund Phase II (“CAF II”) auction program (“Auction 903”). Designation of IdeaTek as an ETC in certain areas of Kansas, as requested in this application, will serve the public interest. In support of this application, IdeaTek states as follows:

**I. BACKGROUND**

1. IdeaTek is headquartered in Buhler, Kansas and is a wholly owned subsidiary of IdeaTek Equity Group, LLC. IdeaTek is in good standing with the Kansas Secretary of State,

proof of which is attached in **Exhibit A**. IdeaTek's principle place of business is 111 Old Mill Lane, Buhler, Kansas 67522.

2. IdeaTek has operated a facilities-based fiber optic telecommunications network since 2005. In March of 2006, IdeaTek, under its former name, "Wildflower Telecommunications"<sup>1</sup>, applied for and was subsequently approved for a Certificate of Convenience as a Competitive Local Exchange Carrier in Kansas in Docket No. 06-WLDT-1005-COC ("06-1005 Docket") and a Certificate to provide interexchange and operator services in Docket No. 08-WLDT-1077-COC ("08-1077 Docket").

3. In 2007, IdeaTek applied for and was granted designation as a competitive ETC for federal universal service funding in certain CenturyLink exchanges in Docket No. 07-WLDT-1395-ETC ("07-1395 Docket").

4. In 2008, IdeaTek applied for and was granted ETC approval for Kansas Universal Service funding in Docket No. 08-WLDT-724-ETC ("08-724 Docket") in those same CenturyLink exchanges.

5. IdeaTek's point of contact information is below:

Daniel P. Friesen  
CIO / Managing Partner  
111 Old Mill Ln  
Buhler, KS 67522-0407  
[daniel@ideatek.com](mailto:daniel@ideatek.com)  
(620) 543-5003

Copies of all documents should be served upon Daniel Friesen in addition to signatory counsel designated below.

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<sup>1</sup> The name on Wildflower's certificates and ETC designations was changed to IdeaTek Telecom, LLC in Dockets No. 14-WLDT-587-CCN and 16-WLDT-487-CCN.

## **II. IDEATEK'S CAPABILITIES AND SERVICE PLANS**

6. IdeaTek's management team has significant experience in the industry with the construction of over 2,600 miles of new fiber optic infrastructure within the state of Kansas. It has serviced customers from residential to Fortune 100 enterprises and operated a certificated CLEC in Kansas since 2007. IdeaTek offers voice, data transport, and broadband services to mostly rural residential consumers, small businesses, schools, and enterprises in South Central Kansas. IdeaTek only offers fiber-based broadband services and is the only gigabit-fiber provider in nearly all of its service territories.

7. In many of the Kansas communities where IdeaTek operates, such as the towns of Bentley, Andale, and Mount Hope, the incumbent telephone provider (AT&T or CenturyLink) provides no broadband services in the area, and in much of IdeaTek's service territory there is no cable operator. IdeaTek also serves many unincorporated areas of Reno and Sedgwick counties which have no cable or ILEC wireline broadband service providers, and some do not even have access to mobile voice and data service.

8. These unincorporated areas of rural Kansas have been IdeaTek's recent focus in broadband deployment and were the target of IdeaTek's bidding in the FCC's CAF II reverse auction for broadband deployment subsidies. Like all of IdeaTek's existing service territories, IdeaTek intends to deploy state of the art fiber optic broadband facilities to deliver both gigabit broadband and standard telephone services in all awarded areas.

## **III. CONNECT AMERICA FUND PHASE II**

9. The Connect America Fund Phase II is part of the FCC's reform and modernization of its universal service support programs. Multiple funding mechanisms were developed under

Phase II. On July 11, 2014, the FCC adopted the *Rural Experiments Order*<sup>2</sup> and established a \$100 million, one-time program to award grants to qualified applicants meeting certain criteria for the deployment of fixed broadband services in census blocks deemed by the FCC to be unserved by voice services and by broadband speeds of at least 4 Mbps downstream and 1 Mbps upstream. In 2015, the FCC established a cost model where ten price cap carriers accepted an offer of support for deploying and maintaining voice and broadband service in the high-cost areas in their respective states. Most recently, the FCC made eligible funding for census blocks via CAF II Auction 903 in states where the price cap carriers declined the offer of model-based support, extremely high-cost census blocks nationwide (excluding NY, AK, PR, VI), and certain other census blocks that were removed from the offer of model-based support. To be eligible, a census block could not have been served with voice and broadband of at least 10/1 Mbps (based on Form 477 data) by an unsubsidized competitor or price cap carrier.<sup>3</sup>

10. On March 8, 2018, the FCC released a public notice providing instructions on the “Short Form” application process to become a qualified bidder for Auction 903<sup>4</sup>, for which IdeaTek subsequently applied. The Short Form application established baseline qualifications used to determine whether an applicant had the legal, technical, and financial qualifications to participate in an FCC auction for universal service support.<sup>5</sup> These details included:

- a. Legal standing;
- b. Industry experience;

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<sup>2</sup> See *Connect America Fund; ETC Annual Reports and Certifications*, WC Docket Nos. 10-90, 14-58, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769 (2014) (“*Rural Experiments Order*”).

<sup>3</sup> [https://docs.fcc.gov/public/attachments/FCC-18-6A1\\_Rcd.pdf](https://docs.fcc.gov/public/attachments/FCC-18-6A1_Rcd.pdf) see para 3.

<sup>4</sup> <https://docs.fcc.gov/public/attachments/DA-18-182A1.pdf>.

<sup>5</sup> 47 CFR §1.21001; §54.315.

- c. Financial qualifications by submitting an audited financial statement and proving that certain key financial metrics are met;
- d. Technical capabilities including proof of both general technical feasibility of deployment plans and the overall technical capability of the applicant's staff and resources needed for execution and operation of its selected service methods.

11. On May 14, 2018, the FCC issued a public notice approving IdeaTek's Short Form application (among others) as complete, noting that it has "...been determined to be financially and operationally qualified to participate in the auction."<sup>6</sup>

12. Auction 903 ran from July 24, 2018 to August 21, 2018. One hundred and three (103) bidders were awarded \$1.49 billion over ten years to provide fixed broadband and voice services to over 700,000 locations in forty-five states. Bids were accepted for four service tiers, each with varying speed (10 Mbps up to 1 Gbps), usage allowances, and two latency tiers, one high latency and one low latency. IdeaTek bid at the 1 Gbps service tier with low latency.

13. On August 28, 2018, the FCC announced the winners of the CAF II reverse auction which included total assigned support to IdeaTek of \$6,186,881.60 for 2,490 locations.<sup>7</sup> Specifically, the CAF II funding areas awarded to IdeaTek are certain census blocks that are generally found in the western halves of rural Reno and rural Sedgwick County. The specific blocks are attached hereto as **Exhibit B**, and an online map can be found at <https://www.fcc.gov/maps/caf2-auction903-results/>. A map showing the Kansas census blocks awarded to IdeaTek is attached as **Exhibit C**.

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<sup>6</sup><https://docs.fcc.gov/public/attachments/DA-18-484A1>; <https://docs.fcc.gov/public/attachments/DA-18-484A2>.

<sup>7</sup><https://docs.fcc.gov/public/attachments/DA-18-887A2.pdf>.

14. Included in the August 28, 2018 public notice were details related to IdeaTek's requirements to submit its "Long Form" application. Among the requirements is an obligation to obtain certification as an ETC<sup>8</sup> in the support areas won no later than February 25, 2019.<sup>9</sup>

#### **IV. ETC DESIGNATION REQUIREMENTS**

15. For IdeaTek to receive the \$6,186,881.60 awarded under Auction 903, IdeaTek must obtain from the KCC designation as an ETC in the areas for which the grant was awarded. Under Sections 214(e) and 243 of the Act, the KCC is authorized to designate IdeaTek as an ETC. Section 214(e)(2) of the Act requires state commissions to designate as an ETC, any common carrier that:

- (i) offers the services that are supported by the Federal universal service support mechanism under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the service offered by another eligible telecommunications carrier); and
- (ii) advertises the availability of such services and the charges therefore using a media of general distribution.

In its First Report and Order implementing Sections 214(e) and 254, the FCC designated the specific features a carrier must provide or agree to provide to be designated as an ETC, addressed further below.<sup>10</sup>

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<sup>8</sup> 47 CFR § 54.315(b)(5).

<sup>9</sup> [https://docs.fcc.gov/public/attachments/FCC-18-6A1\\_Rcd.pdf](https://docs.fcc.gov/public/attachments/FCC-18-6A1_Rcd.pdf), paragraph 16.

<sup>10</sup> *Federal-State Joint Board on Universal Service, First Report and Order*, 12 FCC Rcd 8776, 8809-25 (1997) ("First Report and Order").

#### IV. IDEATEK'S ETC QUALIFICATIONS AND DESIGNATION AREA

##### **Federal ETC Requirements**

16. IdeaTek is a telecommunications carrier as defined in 47 U.S.C. § 153(44) and 47 C.F.R. § 51.5(a) and is a telecommunications carrier for the purposes of Part 54 of the FCC's rules. IdeaTek is, therefore, considered a common carrier under the Act.

##### **Service or Functionalities**

17. IdeaTek certifies that it will offer the services that are supported by federal universal service support mechanisms throughout the census block areas for which ETC designation is received. The services which are supported by the federal USF program are<sup>11</sup>:

A. **Voice telephony services** which must provide:

(1) voice grade access to the public switched network or its functional equivalent;

IdeaTek operates a voice network switch and media gateways which are interconnected with the appropriate IXC's, ILEC tandem and end office switches which enable its voice customers access to the public switched network. Within its internal network, IdeaTek uses digital IP-based voice technology to transport voice services from the customer premise over fiber optic lines to the IdeaTek switch. IdeaTek's voice technologies offer both traditional functional-equivalent voice landline or POTS service as well as other more advanced voice services such as hosted PBX and SIP trunking which all have access to the PSTN.

(2) minutes of use for local service provided at no additional charge to end users;

IdeaTek does not charge for local service minutes of use. Local calling is free for all standard voice lines, and IdeaTek's local calling scope is much larger than the associated ILEC local calling scope.

(3) access to the emergency services provided by local government or other public safety organizations;

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<sup>11</sup> 47 C.F.R. § 54.101(a).

IdeaTek provides 911 services to all its voice customers and directly connected with the 911 tandems associated with our service areas.

- (4) toll limitation services to qualifying low-income consumers.

IdeaTek can block toll calling for any customer upon that customer's request. This toll block feature is provided free of charge to all customers.

- B. **Broadband Internet Access Services** which must provide the capability to transmit data to and receive data by wire or radio from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up service.

IdeaTek provides fiber optic based broadband internet services with speeds up to 1Gbps download / 10Mbps upload for residential users. It routes traffic from a fiber ONT/modem at the customer premise to our internal network and then out to internet service points of presence we maintain with multiple providers. These points are where IdeaTek hands off customer internet traffic to another Internet carrier and serves to provide access to/from all or substantially all Internet endpoints.

18. IdeaTek's residential voice base-rate service is \$17.73 per month (includes free local calling, 911, and optional toll blocking) and \$29.95 per month for all-inclusive unlimited long distance and features. IdeaTek's broadband service rates start at \$40.00 per month for 25 Mbps down / 5 Mbps up. A more popular ultra-speed gigabit service (1Gbps down / 10Mbps up) is also available. Customers are not required to bundle services.

### **Types of Facilities Used**

19. IdeaTek operates a fiber optic network often known as fiber to the home (FttH) or fiber to the premise (Fttx). Fiber optics have the largest bandwidth capability of any current standardized transmission medium and are scalable to service demands far beyond current service needs in the broadband industry. The network operates natively on an Internet protocol (IP) and



ethernet standards infrastructure and telephony service is delivered on an IP-based network session initiation protocol or SIP. IdeaTek's typical fiber installation consists of a 1Gbps up/1Gbps down fiber ont/modem placed at the customer premise with Ethernet ports, wifi capability, and telephony/POTS jacks. (See previous paragraphs for further voice facility details.)

### **Service Areas**

20. As stated above, Section 214(e)(2) of the Act and Section 54.201(c) of the FCC's Rules state that the Commission may, in the case of an area serviced by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an ETC for a service area the Commission designates, provided each additional requesting carrier satisfies Section 214(e)(1) of the Act and Section 54.201(d) of the FCC's Rules. Before designating an additional ETC for an area serviced by a rural telephone company, the Commission shall find that such designation is in the public interest.

21. The FCC Auction 903 bidding was offered on a census block group level. Within each block group are designated census blocks. IdeaTek therefore requests ETC service area designation for all census blocks awarded to IdeaTek in Auction 903. A full listing of IdeaTek's award census blocks can be found in **Exhibit B**.<sup>12</sup> These census blocks include areas serviced by CenturyLink and AT&T

### **Advertising**

22. IdeaTek currently does and will continue to advertise the availability of each of the supported services detailed above, throughout its certificated service area, by media of general

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<sup>12</sup>Auction 903 census block assignments and other details can be found at <https://auctiondata.fcc.gov/public/projects/auction903/>.

distribution. The methods of advertising utilized may include websites, digital advertising, newspaper, radio, direct mailings, public exhibits and displays, and bill inserts.

23. IdeaTek recently spoke to KCC staff about updates in its current ETC advertising language and agrees to provide the following updated language in its future ETC-related advertising:

*IdeaTek offers discounts to customers who qualify for income-assisted programs and is also required to provide service to all reasonable requests in its designated service area(s). Unresolved questions concerning service availability can be directed to the Kansas Corporation Commission's Office of Public Affairs and Consumer Protection department at 800.662.0027 or [public.affairs@kcc.ks.gov](mailto:public.affairs@kcc.ks.gov).*

## **V. DESIGNATION OF IDEATEK AS AN ETC IS IN THE PUBLIC INTEREST.**

24. **New Access to Qualifying Broadband** – Designation of IdeaTek as an ETC in the requested CAF II census tracks will bring broadband services to areas that currently are not served by both voice and broadband meeting the FCC's service requirements.<sup>13</sup>

25. **Benefits of Increased Competitive Choice** – By rule, a CAF II census block was only available for the Auction 903 if no unsubsidized competitor was currently servicing the block. Therefore, approval of IdeaTek's ETC's designation will bring competition, or at a minimum, qualifying service to the requested service areas.<sup>14</sup> Competition tends to drive innovation and investment in networks, and therefore, the public interest benefits, and providers with services below the FCC's minimum service standards will likely be spurred to increase service levels to compete with IdeaTek. IdeaTek has seen this market behavior many times in Kansas where it will

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<sup>13</sup> [\*Connect America et al., Report and Order and Further Notice of Proposed Rulemaking\*](#), paras. 57, 72 (2016) (*Phase II Auction Order*). For a census block to be treated as served and excluded from the Phase II auction, it must be served with both voice and broadband meeting the Commission's service requirements at reasonable comparable rates.

<sup>14</sup> *Phase II Auction Order*, paras. 72 (2016).

enter a market with stagnant service levels, invest significantly in the market, and then encounter new found competition by incumbent competitors.

26. **Impact on Multiple Designations on the Universal Service Fund** – IdeaTek is already a registered service provider through the Universal Service Administrative Company (USAC) FRN# 0015798648, has previously participated in the USAC high-cost programs as a competitive ETC, and currently participates in the schools and libraries and lifeline programs SPIN number 143031741. Auction 903 required the aggregate of auction bids to be below the FCC's allocated \$1.98 billion budget prior to awarding bids and set a 10-year finite window for distribution for all funds. Therefore, impact to the FUSF by IdeaTek's request is within the expected FCC budgeted amount. Currently, a competitive ETC is not eligible for KUSF and thus no impact is expected to the KUSF budget.

27. **Unique Advantages and Disadvantages of IdeaTek's Offering** – IdeaTek is the only CAF II bidder in Kansas to commit to a gigabit-speed network build, which is the highest speed offering of the CAF II program. The opportunity for investment in these remote areas is a unique opportunity for the consumers of the proposed service area to obtain broadband services. This investment will bring broadband infrastructure with highly competitive speed offerings including some of the fastest speeds in all of Kansas and a lasting scalability for the future. IdeaTek does not believe there are any unique disadvantages related to its offering.

28. **IdeaTek Has the Ability to Provide the Support Services Throughout the Designated Service Area Within a Reasonable Time** – IdeaTek has constructed over 2,600 miles of fiber in the state of Kansas in the last 15 years and is well versed in the risks and challenges of service delivery in low density/high cost service areas. IdeaTek has developed deployment models and methods which enable it to deliver services in areas other providers will not deploy in. IdeaTek

will also be further reviewed for technical and financial capabilities during the FCC's Auction 903 Long Form application process.<sup>15</sup> The FCC required completion timeline is six years, and IdeaTek expects to have the network constructed in under half of that time.

29. **Rural Investment and Sustainability** – Approving IdeaTek's ETC application will enable CAF II funds to flow to Kansas in the form of telecommunication infrastructure investment in significantly rural and remote areas of the state. Beyond the CAF II funds, IdeaTek will be investing millions of dollars in additional private funding, hiring local Kansas workers for high-paying technology jobs, and utilizing local and regional contractors and small businesses in its projects and ongoing operations.

30. Broadband deployment continues to be a significant priority of both the Kansas executive and legislative branches, as most recently evidenced by the creation of a statewide broadband taskforce under Kansas HB 2701, of which the KCC is a member.<sup>16</sup> During the hearings on HB 2701, there was significant testimony related to the need for more and better broadband deployment. IdeaTek's Chief Information Officer, Daniel P. Friesen, testified during the hearings that, among other things, Kansas ranks 40th in the Nation for overall connectivity, but the support of fiber optic networks will "remove all barriers for service for the foreseeable future."<sup>17</sup>

31. For these reasons, approval of IdeaTek's ETC application is in the public interest for Kansas and its citizens.

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<sup>15</sup> See [https://docs.fcc.gov/public/attachments/FCC-18-6A1\\_Rcd.pdf](https://docs.fcc.gov/public/attachments/FCC-18-6A1_Rcd.pdf) see para. 295.

<sup>16</sup> Senate Sub for HB No. 2701; [http://www.kslegislature.org/li/b2017\\_18/measures/documents/hb2701\\_enrolled](http://www.kslegislature.org/li/b2017_18/measures/documents/hb2701_enrolled).

<sup>17</sup> Testimony by Daniel P. Friesen, IdeaTek Telcom, Buhler, Kansas, before the Kansas Senate Commerce Committee March 9th, 2018, attached as **Exhibit D**.

## VI. RELIEF REQUESTED

32. IdeaTek expects final FCC approval of its Auction 903 bids in November of this year. It is likely this ETC application will be a last remaining step before IdeaTek can begin projects and investment in the requested ETC area in Kansas. As such, IdeaTek respectfully requests the Commission process this application on an expedited basis to ensure IdeaTek can meet the FCC's deadlines without fail. As previously stated, these projects involve some of the most underserved areas for broadband in the state and it is a priority in this state to bridge that digital divide.

33. IdeaTek, through this application, has also provided deployment plans and locations that are typically not disclosed to the public and which are considered strategic to its business. These details can be used by IdeaTek's competitors to get a "jump" on a competitive response; an additional reason for an expedited review of this application.

WHEREFORE, IdeaTek respectfully requests the Commission issue an expedited order approving this application and designating IdeaTek as an ETC for the areas identified herein so that it can meet the FCC's program requirements, the broadband priorities of the state of Kansas, and IdeaTek's own mission to deliver world class broadband to the underserved in Kansas.

Respectfully submitted,

/s/ Glenda Cafer

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Terri Pemberton (KS. #23297)

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**COUNSEL FOR IDEATEK TELCOM, LLC**

VERIFICATION

STATE OF KANSAS       )  
                                  ) ss  
COUNTY OF Reno    )

The undersigned, Daniel Friesen, upon oath first duly sworn, states that he is the chief innovation officer and managing member of IdeaTek Telcom, LLC, that he has reviewed the foregoing application, that he is familiar with the contents thereof, and that the statements contained therein are true and correct to the best of his knowledge and belief.




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Daniel Friesen  
Chief Innovation Officer and Managing

Member

IdeaTek Telcom, LLC

Subscribed and sworn to before me this 11<sup>th</sup> day of September, 2018.

  
\_\_\_\_\_  
Notary Public

My appointment expires:



**STATE OF KANSAS**  
**OFFICE OF**  
**SECRETARY OF STATE**  
**KRIS W. KOBACH**

I, KRIS W. KOBACH, Secretary of State of the state of Kansas, do hereby certify, that according to the records of this office.

Business Entity ID Number: 3898384

Entity Name: IDEATEK TELCOM, LLC

Entity Type: DOM: LTD LIABILITY COMPANY

State of Organization: KS

Resident Agent: DANIEL P. FRIESEN

Registered Office: 102 N. MAIN, BUHLER, KS 67522

was filed in this office on February 10, 2006, and is in good standing, having fully complied with all requirements of this office.

No information is available from this office regarding the financial condition, business activity or practices of this entity.



In testimony whereof I execute this certificate and affix the seal of the Secretary of State of the state of Kansas on this day of September 09, 2018

A handwritten signature in cursive script that reads "Kris W. Kobach".

**KRIS W. KOBACH**  
**SECRETARY OF STATE**

Certificate ID: 1079710 - To verify the validity of this certificate please visit <https://www.kansas.gov/bess/flow/validate> and enter the certificate ID number.

**Exhibit B****FCC Auction 903 Results****IdeaTek Telcom, LLC winning bids by census block**source: [https://auctiondata.fcc.gov/public/projects/auction903/reports/all\\_assigned\\_census\\_blocks](https://auctiondata.fcc.gov/public/projects/auction903/reports/all_assigned_census_blocks)

<b>auction_id</b>	<b>bidder</b>	<b>frn</b>	<b>block_id</b>	<b>item</b>	<b>state</b>	<b>county</b>	<b>census_id</b>	<b>Exchange</b>	<b>Company ID</b>
903	IdeaTek Telcom, LLC	15798648	200790306006006	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006010	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006066	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006070	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006089	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006093	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006094	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006095	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006096	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006097	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006100	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006101	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006104	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006106	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006108	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006109	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006114	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006115	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006116	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006131	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006132	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006151	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006152	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006153	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006157	KS-079-0306006	KS	Harvey	200790306006	Burrton	UTDT
903	IdeaTek Telcom, LLC	15798648	200790306006224	KS-079-0306006	KS	Harvey	200790306006	Colwich Zone	SWBT



903	IdeaTek Telcom, LLC	15798648	200790306006225	KS-079-0306006	KS	Harvey	200790306006	Halstead	SWBT
903	IdeaTek Telcom, LLC	15798648	200790306006245	KS-079-0306006	KS	Harvey	200790306006	Colwich Zone	SWBT
903	IdeaTek Telcom, LLC	15798648	200790306006246	KS-079-0306006	KS	Harvey	200790306006	Colwich Zone	SWBT
903	IdeaTek Telcom, LLC	15798648	200790306006247	KS-079-0306006	KS	Harvey	200790306006	Colwich Zone	SWBT
903	IdeaTek Telcom, LLC	15798648	200790306006250	KS-079-0306006	KS	Harvey	200790306006	Colwich Zone	SWBT
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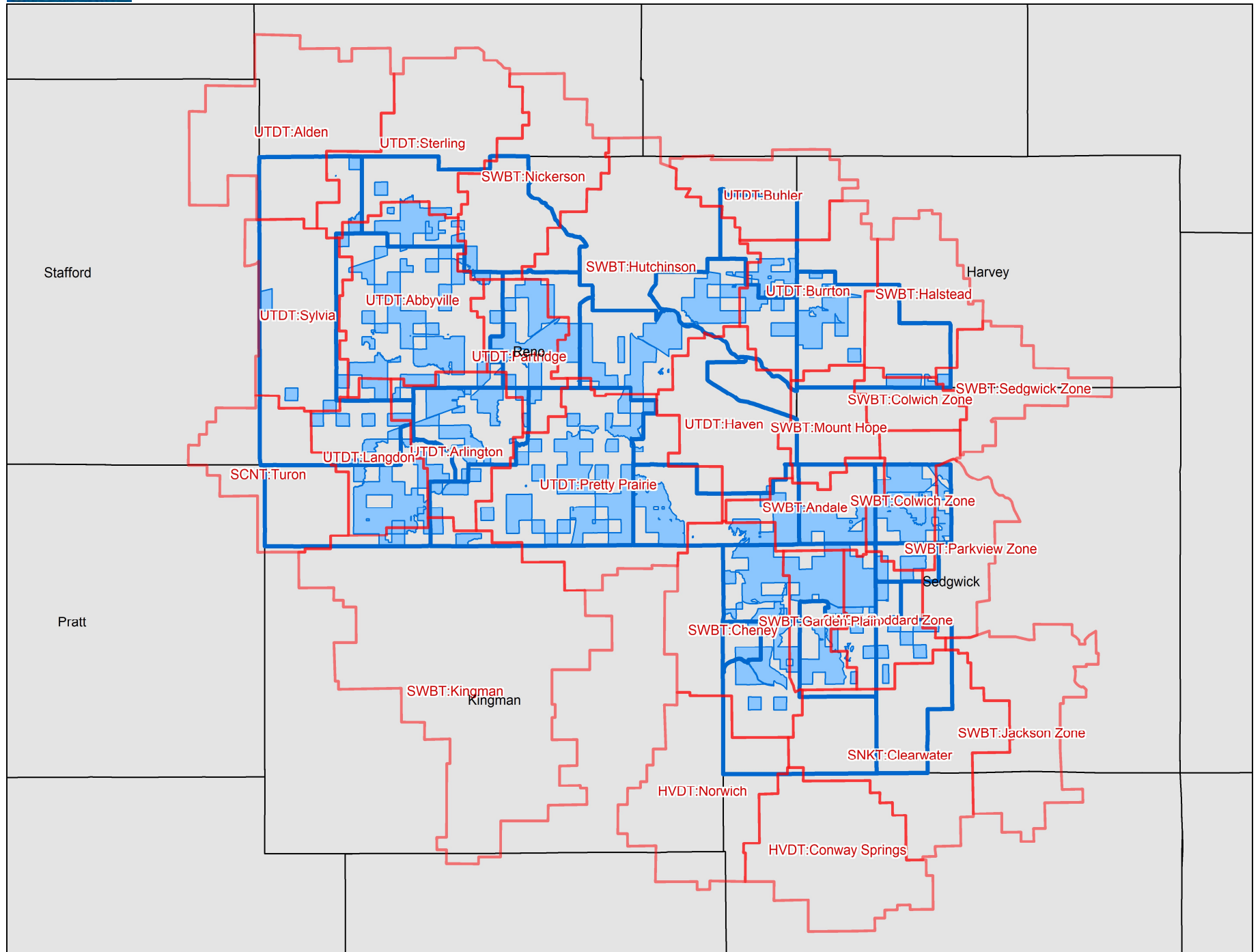








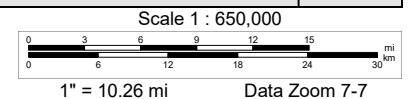
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**TESTIMONY IN SUPPORT OF HB2701**  
**Establishing the statewide broadband expansion task force**

**Testimony by Daniel P. Friesen, IdeaTek Telcom, Buhler, Kansas.**  
**Before the Kansas Senate Commerce Committee**  
**March 9th, 2018**

**Introduction**

My name is Daniel Friesen, I am the chief innovation officer and managing member of IdeaTek Telcom which has been headquartered in Buhler, Kansas for nearly 15 years. We are a competitive service provider of broadband and voice services that does not receive funding from the Kansas Universal Service Fund. With less than 70 employees we have used private investment to build over 2,400 miles of fiber optic infrastructure all over our great state. We've connected rural homes, farms, schools, cell towers, and other service providers to real sustainable internet in areas other providers would dare not go, and we are focused now more than ever on the deployment of real, sustainable fiber optic broadband solutions for the unserved and underserved in Kansas.

We support HB 2701 with its creation of a broadband expansion task force as a crucial step toward resolving the gap in broadband deployment. I am familiar with this concept as I also currently serve on a similar working group created in 2017 by the Federal Communications Commission called the "BDAC" or the Broadband Deployment Advisory Committee. I was appointed to the position by FCC Chairman and fellow Kansan Ajit Pai.

**State of Broadband in Kansas**

There is increasing demand from our fellow Kansans for the government and our industry to resolve the problem of underserved and unserved broadband in homes, farms, and businesses across our state. This is not the first time for this call nor is it the first time for a solution to be proposed or even adopted. But this time there is a real demand from you, from me, from all of those who play a role in broadband deployment to come up with a final sustainable solution to broadband service deployment in this state.

**Why?**

Because fast broadband is no longer a luxury or a service of convenience. It has become a core utility that residents, business, students, and institutions depend on for daily living and operating just like they do for electricity and water. Yet, those of us that have a good broadband service are quick to forget that many in Kansas still do not. Consider, for example, there are Kansans still using dial-up internet today. This lack of service yet growing dependency and need has driven a momentum across this country to finally eliminate this disparity of broadband found in rural America.

Let's consider the current facts today:

- ★ The United States ranks only 9th in the world for fixed broadband speeds and an embarrassingly 46th in mobile broadband speeds, just ahead of the country of Albania<sup>1</sup>
- ★ Kansas ranks 40th in the Union for overall connectivity.
- ★ Over half a million Kansans have no access to a fast broadband connection.
- ★ Another half a million Kansans only have access to a single wired provider, with no options to switch.
- ★ Nearly 200,000 Kansans have no option of a wired provider today <sup>2</sup>
- ★ 29% of our Kansas farms do not have internet access today and 8% are still on dialup<sup>3</sup>

### **Let's Include Those Already Forging Ahead**

While we commend this body and its leadership for taking the initiative to seek a range of opinion, we would respectfully encourage a broadening of the panel to include independent competitive providers like ourselves which are out in front, not just talking about this stuff, but actually doing it, forging ahead with new rural deployments everyday. As an underdog, as a small Kansas-based competitor in an industry often dominated by giant national corporations, we do not always get a voice in these decisions, and that might be because we often take a different view, but it is a view that needs heard more than ever as we tackle the complexities of broadband inequality.

### **A Competitive Viewpoint**

We would first submit our state's lack of progress is **not** because of a lack of funding. Over **3.8 BILLION** dollars in subsidies has been provided in Kansas over the last twenty years with tens of millions of dollars continuing each year. Rather, our view from the outside has helped us form differing opinions, and that our current state of affairs in broadband can be more heavily attributed to the following:

1. **Our failure to invest in long term solutions.** There are many success stories in Kansas of fiber-to-the-home builds that have turned broadband deserts into technology-rich zones that grow our economy, our property values, and support a generation of children and young adults who rely more than ever on fast reliable broadband. Fiber optic builds essentially remove all barriers for service for the foreseeable future.

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<sup>1</sup> "Speedtest Ranks Internet Access Speed In More Than 100 Countries." 14 Aug. 2017, <https://www.forbes.com/sites/kevinmurnane/2017/08/14/speedtest-ranks-internet-access-speed-in-more-than-100-countries/>. Accessed 5 Mar. 2018.

<sup>2</sup> "Internet Access in Kansas: Stats & Figures - BroadbandNow." 30 Nov. 2017, <https://broadbandnow.com/Kansas>. Accessed 5 Mar. 2018.

<sup>3</sup> "Farm Computer Usage and Ownership 08/18/2017 - USDA Economics ...." 18 Aug. 2017, [http://usda.mannlib.cornell.edu/usda/current/FarmComp/FarmComp-08-18-2017\\_correction.pdf](http://usda.mannlib.cornell.edu/usda/current/FarmComp/FarmComp-08-18-2017_correction.pdf). Accessed 6 Mar. 2018.

2. **Our failure to support competition under the auspices that monopolies are best for rural and remote service.** It's simply not true that only one provider can survive in certain areas of rural Kansas. It's unfortunate our current system often supports a single provider in an area even in the presence of competition. We need to encourage competition that generates better service delivery efficiency, more robust service products and less dependency on the government.
3. **A lack of cooperation between our different government agencies and providers.** The more remote the area, the more cost-effective a provider must be to deliver service. It is certainly important that this bill brings local, county, and state government together to work with providers on streamlining broadband installation while still respecting the important functions these governmental entities play.
4. **A lack of creativity in support programs to make rural service business models sustainable.** Rather than focusing on unsustainable subsidy money, our state should broaden our thinking to include innovative alternatives to long term subsidy models such as one-time construction assistance, tax breaks, and permit streamlining.

#### **Conclusion and Recommendation**

This bill is an extremely important first step in starting a real and open conversation about the issues facing broadband deployment in Kansas. Our rural communities, homes, farms and ranches represent a founding cornerstone of our state's agriculture and rural economies, and we can no longer continue to let these areas of Kansas fall farther and farther behind on issues of broadband. Whether it be for business growth and jobs, property values, agricultural development and even the long term survivability of these areas, these Kansans are depending on us for action now.

Currently this bill includes no voting seat for rural independent competitive fiber providers like IdeaTek. As significant contributors to the broadband infrastructure in this state, we would strongly and respectfully encourage your consideration in including more voices like ours in this process. We believe change is an important part of resolving our broadband issues, and therefore we believe this taskforce should include new seats at the table, creative thinkers, and competitors who are already out there attempting to deliver on this bill's goal - to deliver real sustainable broadband to Kansans that need it the most.

Thank you Madam Chairwoman and senators for this opportunity to appear today. I would be honored to take any questions you may have.