

State Legislators And the Gigabit Desert

How can state legislators help spread the gigabit wealth to more constituents? That's not a rhetorical question – this legislator is looking for new ideas.

By Tom Sloan / *Kansas State Legislature*

New investments in smart cities and smart neighborhoods create tremendous benefits by connecting energy and gigabit telecommunications technologies. However, such investments result in oases of tremendous value and interactions surrounded by deserts in which small-town, rural and low-income residents experience a relative dearth of opportunities for economic, educational, health care and personal growth. That's because companies invest in energy and telecommunications capabilities where they are most likely to quickly recover their research and deployment investments.

As a public policymaker, I have at least four concerns:

- Technologies that enhance human capabilities and quality of life should be researched and deployed.
- The equipment and software should work as advertised, rather than becoming an investment that must be repeated at the expense of consumers and investors.
- The deployment of these technologies should be expanded on a reasonable schedule to people outside the oases.
- The deployment to the last customer should occur before the deployment of the next generation of technology and customer capability to the oases.

As telecommunications companies strive to become more flexible and nimble in meeting

customer expectations for services beyond voice and data, competition among providers grows. But options for new, advanced services are more likely to occur within smart-city or smart neighborhood projects than in the rural and low-income deserts. As a result, the gap between the oases of affluent, urban customers and the deserts surrounding them may grow exponentially.

Thus, as a policymaker, I face the issue of how to help telecommunications providers become more nimble and responsive to customer expectations and capabilities while protecting those unable to participate because of their situations or the business decisions of their providers.

In the words of William Gibson, “The future is already here – it's just not very evenly distributed.” My task as a policymaker is to reduce the lag between first and last beneficiaries of technological changes.

CAN SMALL PROVIDERS STEP UP?

Will community and independent broadband providers be able to respond to rising customer expectations and technological capabilities as quickly as investor-owned providers?

Opportunities exist for communities to seek innovative partnerships with independent broadband providers that may use alternative broadband delivery technologies or have different business models that require lower rates of return than do the large providers. As community and independent broadband

communications providers generally are not regulated by public utility commissions, developing incentives that will benefit those customers and providers may be difficult for state legislators. However, the upside is that the opportunities for communities to be innovative are not limited by regulatory constraints.

The inability of state agencies to require large providers to ubiquitously and near simultaneously serve all their customers with next-generation technologies may provide an incentive for community and independent providers to expand their customer bases and services to residents of rural areas and smaller communities. As the large telecommunications providers seek to offer more unregulated services and reduce risks associated with a dynamic urban marketplace, the challenge for policymakers will be to distinguish among the competitive marketplace, customer-driven options and retention of monopoly power by the large providers.

Encouraging competition and customer choice while continuing to protect against monopoly power will be a challenge because too few policymakers truly understand where the technological and communication revolutions are going, how fast they are moving or how many third-party opportunities will arise. Hopefully, we policymakers can support the efforts of community and independent broadband and telecommunications providers to provide services to those customers left out by the large providers or who suffer from living outside an oasis.

COMMUNITIES NEED HELP

Kansas does not restrict municipalities' rights to build broadband networks or to partner with private network builders, yet few of its municipalities do so. Perhaps the absence of restrictions isn't enough. No one seems to be offering any positive assistance that would help Kansas communities get better broadband. For example, there are two organizations that assist municipalities with operational and planning issues: Kansas Municipal Utilities (KMU) and the Kansas Rural Water Association (KRWA). KMU held seven workshops in 2016 in support of

56 municipal electric systems, four for natural gas systems and 35 for water systems. KRWA held 113 workshops on water/wastewater and provided direct assistance 1,076 times to municipalities and rural water systems.

No statewide organization in Kansas provides direct assistance to communities seeking information about developing a broadband system, and no statewide system provides technical assistance to municipalities with an operating broadband system.

The contrast in availability of technical, economic, planning and other resource assets provided by professionals knowledgeable about how municipalities operate electricity and water/wastewater systems and the absence of such assistance for communities considering or operating broadband telecommunications systems is both striking and disappointing.

A municipality can contract with independent engineers to design a broadband system, but where in the state do city leaders turn for guidance on how to structure an RFP, how to train system operators or where to seek financing and service pricing information?

There is assistance to develop wholesale public water supply systems (interconnected groups of small municipalities and rural water districts) and mutual assistance systems to aid communities when a storm disrupts electric service. But there is no statewide commitment to helping municipalities evaluate the need and opportunities for a municipal broadband system or develop a regional broadband system. Perhaps municipalities in Kansas and elsewhere should be asking their statewide organizations to develop such capabilities.

ADVICE TO SMALL PROVIDERS

Educate legislators about what keeps you awake at night. We cannot help if we do not understand. We want to help community and independent broadband providers thrive within the evolving competitive marketplace. We want you to reach customers who live in the gigabit deserts. We want

those members of our society to have substantially the same economic, health care, educational and personal growth opportunities as their smart-city family members. You can make that happen, and we want to help.

At the same time, understand that our primary concern is to protect the most vulnerable customers from being excluded from economic and other opportunities. Our secondary concerns are to enable customer choices and protect telecommunications providers' underlying value.

Yes, we are also concerned about affordability, reliability and safety. But these aren't abstract ideas. For many public officials, affordability and reliability mean that policymakers and regulators do not receive too many complaints. Safety means that we do not open the morning newspaper and learn of an employee or a customer death from an accident.

Ultimately, it is important to remember that disruptive technologies, capabilities and customer expectations do not arrive according to the schedules that the public or telecommunications providers desire. This gives community and independent broadband providers opportunities to reach beyond their normal boundaries when the larger companies ignore or functionally abandon customer segments.

You must have a vision of what your prospective customers need. Let policymakers know of your vision to turn the broadband and telecommunications deserts into oases. You should also contact the statewide organizations that provide answers to electric and water/wastewater system questions and ask why they are not also helping evaluate the opportunities associated with municipal broadband systems that encompass small towns and the rural residents on whom those towns rely economically. Legislators may be able to add their voices to your calls for expansion of services by statewide municipal utility organizations. ❖

Rep. Tom Sloan (R-Lawrence) is serving his 12th term in the Kansas House of Representatives. Contact him at Tom.Sloan@house.ks.gov.