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Chairman and members of the committee:

My name is Representative Randy Garber, Vice-Chair of House Utilities and Telecommunications Committee. I am providing written testimony in support of HB 2255.

In House Utilities and Telecommunications we took the first step to help spur investment with modernizing communication policy by reducing regulation to create a more favorable business climate for competitive companies to invest in advanced networks. HB2201 also reduces the fees paid by all Kansas communications customers through the Kansas Universal Service Fund (KUSF).

The bill before you today is the second step to spur broadband investment and grow the economy by lowering the cost of investments.

The industry is under pressure to meet market demands for coverage, speed, and internet adoption – and each state competes for capital investments to upgrade and expand broadband. Although the industry has invested significantly in our state to win and retain customers in a competitive market, Kansas investments are costing them more compared to many other states. For example, our neighboring state, Missouri, exempts telecommunication machinery and equipment from state and local sales tax, reducing their investment costs.

We must ensure that Kansas has competitive tax and regulatory policies. We can close the gap with competing states and lower investment costs by providing the industry a refund on state sales tax when investments are made in Kansas.

Kansas is moving in a direction to further lower taxes to attract individuals and businesses, but if we don't have the broadband infrastructure needed to meet market demands -- we might be hindered to attract businesses and individuals.

HB 2255 will help lower costs for the telecommunications industry to upgrade and expand the infrastructure necessary for economic growth, job creation, and global competitiveness that will contribute to the success of attracting individuals and businesses to Kansas.

Thank you and I ask for your support of HB 2255.

Respectfully,

Randy Garber

House Commerce & Economic
 Development Committee
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