

**Testimony before House Utilities & Telecommunications
HB 2084 – Prepaid Telephone Security Act
Presented by Reynaldo Mesa, Sr. Dir. of Govt. Affairs**

Thursday, Feb. 19, 2015

Mr. Chairman and Committee Members:

The Kansas Chamber is pleased to provide written testimony in opposition to HB 2084, a proposal that would require providers and retailers to register prepaid mobile devices.

In our recent Kansas Chamber poll, the third most pressing concern for businesses was regulations and mandates which strike at the heart of growth and profitability. Enacting HB 2084 is not only costly and burdensome to the provider and the retailer; it is an intrusion on consumer privacy.

Prepaid registry laws would force the retailers and providers large, medium and small, to increase their costs due to the administrative and compliance requirements. Eventually these costs are borne by the consumer and the greatest impact would be felt by our senior citizens and low-income Kansans who depend on prepaid mobile devices. These types of devices are bought to control costs, are used by domestic violence victims who need a secure mobile device and are used by those lacking credit worthiness for long-term contracts.

Providers and retailers who violate the registry law would be subject to civil penalties. With the threat of penalties and rising costs, the providers and retailers would be discouraged to sell prepaid mobile devices and services. The lack of availability of these devices and services creates an inconvenience and would result in lost sales. No question, the consumer will shop outside of the state or on the internet and losing sales directly impacts the retailer and our economy.

Requiring providers and retailers to gather personal information would be a real concern for consumers. Collection of such data by retail clerks puts the consumer's privacy at risk, especially in light of the recent breach of personal information involving some major retailers. The providers and retailers would be heavily scrutinized on how the consumer's personal details are collected, stored and shared. There is a real fear of personal information being disclosed innocently or intentionally.

Finally, we recognize the intent of such measures in addressing a public safety issue. However, we must be very careful when seeking such burdensome and intrusive proposals. The negative impact will be much greater to our law abiding businesses and citizens than to any criminal. To date, no state has enacted this type of legislation. Let's not be the first at a time when we are encouraging businesses to grow and invest.



"...to continually strive to improve the economic climate for the benefit of every business and citizen and to safeguard our system of free, competitive enterprise".