



TESTIMONY

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HOUSE BILL 2056

By David Stokes

Testimony before the Missouri House
General Laws Committee

TO THE HONORABLE MEMBERS OF THIS COMMITTEE

My name is David Stokes, and I am director of municipal policy at the Show-Me Institute, a nonprofit, nonpartisan Missouri-based think tank that supports free-market solutions for state and local policy. The ideas presented are my own. Thank you for this opportunity to testify.

House Bill 2056 (HB 2056) requires governments in Missouri to compensate telephone, internet, and cable (telecom) companies the cost of moving their equipment in the right-of-way (ROW) during road projects. Traditional utilities, including gas, water, and electrical companies, are allowed to recover the costs of moving utilities for road projects during the rate-setting process with the public services commission (PSC). Telecom companies are not regulated in the same manner by the PSC (nor should they be), and therefore are not compensated for the cost of moving

their equipment for road projects and other infrastructure improvements.

This is an issue that deserves a fair debate. In instances where telecom agencies pay governments for the ROW access, it seems clear that the telecom companies deserve compensation for relocation expenses. However, I understand that those are limited instances. More common are cases in which telecoms pay special taxes or fees to certain governments in order to operate within a community, I believe some level of reimbursement for moving costs in these cases is worthy of consideration. (By special taxes or fees, I mean taxes and fees that are not levied on most commercial enterprises but are levied on the telecom industry, such as local government franchise fees.)

For state or local governments that do not charge telecom companies for use of the ROW and who do not levy special taxes on the industry, reimbursements do not appear appropriate.

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HB 2056 is an attempt to address an area of reasonable concern for telecom companies. I believe this matter can be addressed by the legislature in a manner that properly protects the rights and responsibilities of state and local governments, the interests of taxpayers, and the reasonable concerns of telecom companies. Hearings like this are an important part of starting this discussion. Thank you for the opportunity to testify today.



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