



TESTIMONY

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HOUSE BILL 661

By David Stokes

Testimony before the Missouri House Transportation 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.

House Bill 661 (HB 661) requires governments in Missouri to compensate telephone, internet, and cable (telecom) companies for 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 their equipment for road projects during the rate-setting process with the Missouri Public Service 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, telecom companies may deserve compensation for relocation expenses. I understand that such circumstances may be limited. 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 when the utility in question may not have had an opportunity to negotiate location options with the government in question in a reasonable manner.

For state or local governments that do not charge telecom companies for use of the ROW, that do not levy special taxes on the industry, and that provide an opportunity to separately negotiate relocation issues, reimbursements may not be appropriate.

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HB 661 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 way that properly protects the rights and takes into account the responsibilities of state and local governments, protects the interests of taxpayers, and addresses the reasonable concerns of telecom companies. Hearings like this are an important part of starting this discussion. Thank you for the opportunity to submit this testimony.



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