



Senate Committee on Utilities – SB109

Testimony of Mike Scott, President - AT&T Kansas

February 12, 2015

Good afternoon, Mr. Chairman and members of the Committee. My name is Mike Scott and I am the President of AT&T Kansas. Speaking on behalf of an 18-member coalition of Kansas organizations, I am here in support of the Kansas Disaster Utilities Response Act, which will amend Kansas law to allow Kansas utilities and employees to seek immediate assistance from out-of-state resources. This bill, which is based on model legislation that has been approved by both NCSL and ALEC, will allow us to focus even more quickly on responding to the needs of a disaster area and its citizens during a Declared Disaster or State of Emergency.

As I mentioned earlier, we were pleased to work with a coalition of utility and industry partners on this initiative, and we hope that you will recognize the legislation's positive impact on disaster recovery efforts in Kansas.

Our coalition includes:

- Atmos Energy
- AT&T
- Black Hills Energy
- Century Link
- Cox
- Empire
- ITC
- Kansas Cable Telecommunications Assn.
- Kansas Chamber of Commerce
- Kansas Electrical Cooperatives
- Kansas Gas
- Kansas Rural Independent Telecommunications Coalition
- KCPL
- ONEOK
- Sprint
- State Independent Telephone Assn.
- Verizon
- Westar

AT&T Network Disaster Recovery Program Overview

Like the other coalition members listed above, AT&T, as a communications company, has a unique role to play in disaster preparedness and response. The ability to call first responders or check in with family members after a disaster is of critical importance.

After the EF5 tornado struck Greensburg, KS in 2007, AT&T employees swung into action, working throughout the night to restore service at our damaged central office. By daybreak, AT&T was providing vital communications support to emergency responders.

We've seen similar situations play out in Joplin, MO in 2011 and Moore, OK in 2013, and in other communities across the country. No state is immune from natural disaster as every state has experienced a disaster in the last four years, and there have been more than 250 declarations of disaster in the US since 2011.

Since 1992, AT&T has invested more than \$600 million in our Network Disaster Recovery program, which includes specially trained managers, engineers and technicians from across the United States, as well as a fleet of more than 320 self-contained equipment trailers and support vehicles. We also conduct several readiness drills throughout the year to help ensure that our networks and personnel are prepared to respond quickly. And when disaster does strike, our employees work around the clock to keep the network up and running. Again, I'm sure these practices are very similar to what other utility members of the coalition perform.

However, this process is not always as seamless as it could be.

SB109 Helps Kansas Communities Recover Faster After a Disaster

Though not intended when enacted, some current laws and legal requirements, such as business registration, permitting and tax filing requirements, can impede our ability to respond as quickly as possible during a declared emergency.

In emergency situations, response time is critical. SB109 will help expedite the recovery process and support local employees by amending Kansas law to allow utilities and employees from out-of-state to join our efforts and focus more quickly on responding to the needs of a disaster area and its citizens during a Declared Disaster or State of Emergency.

SB109 establishes that an out-of-state business and its employees that conduct operations within the state for purposes of performing disaster work on or related to critical infrastructure during the disaster period shall not be:

- Considered to have established a level of presence that would require that business or its out-of-state employees to be subject to state and local regulatory and licensing laws.
- Subjected to tax withholdings or to file and pay any other state or local income or withholding tax or fees for their work repairing or re-building infrastructure during a Declared Disaster or State of Emergency.

These businesses and employees will continue to pay Kansas and local transaction taxes, as well as their home state income taxes, and will abide by any licensing, registration or similar requirements specified by their home state's laws.

This legislation will not extend to individual enterprises and individuals whose primary business is to enter the state to solicit repair work, and any business or individual that remains in the state beyond the Disaster Period will become subject to taxes and regulatory filings that ensue going forward. Additionally, any businesses or persons currently filing tax returns in the state are not "exempted."

SB109 Helps Kansas and Its Communities Recover Faster after a Disaster

SB109 helps citizens and communities in the hardest hit areas recover more quickly from a disaster or emergency by:

- Making it easier for companies to send the equipment and resources that the state needs.
- Encouraging employees to volunteer during a Declared State of Disaster.
- Saving the state the administrative time and expense of processing and issuing refunds.

Natural disasters and other emergency situations can wreak havoc on our state's utility and communications infrastructure just when it is needed most. As we have witnessed time and time again, access to telecommunications and other utilities is vital following a disaster – both for the impacted area and for the rest of the country – as people try to check in on family and loved ones and as emergency responders rely on it to communicate and coordinate recovery efforts.

By passing this legislation, SB109, you can help ensure that when disaster strikes in the future, utility companies can act quickly to restore critical services and get our Kansas businesses and citizens on the road to recovery.

On behalf of the coalition, I urge your support and would be happy to answer any questions.