

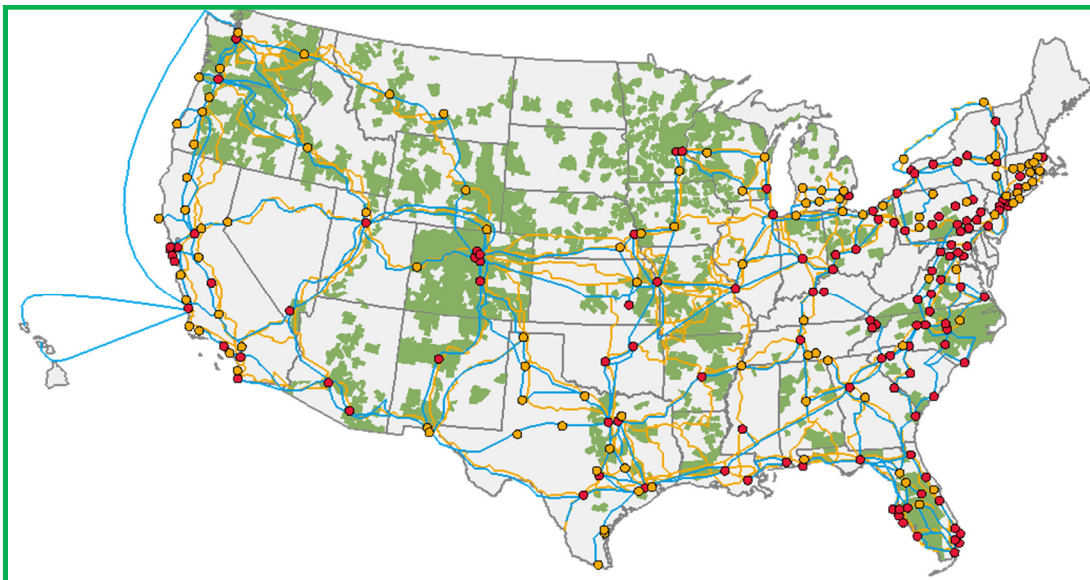
***Testimony in Support of Senate Bill 334
Extending the Time That Taxpayers May Carry Forward the HPIP Tax Credit***

**Testimony by CenturyLink
John Idoux, Kansas Governmental Affairs Director
Before the Senate Commerce Committee
February 7, 2018**

Thank you Chairwoman Lynn and members of the Committee. My name is John Idoux and I am CenturyLink's Director of Governmental Affairs for Kansas. As a leading national rural telecommunications provider with significant operations and employees in Kansas, CenturyLink has made substantial investments in Kansas. Modifying the High Performance Incentive Program (HPIP) to allow greater flexibility and workability for tax credits previously earned will allow CenturyLink and other Kansas companies to continue to invest in Kansas.

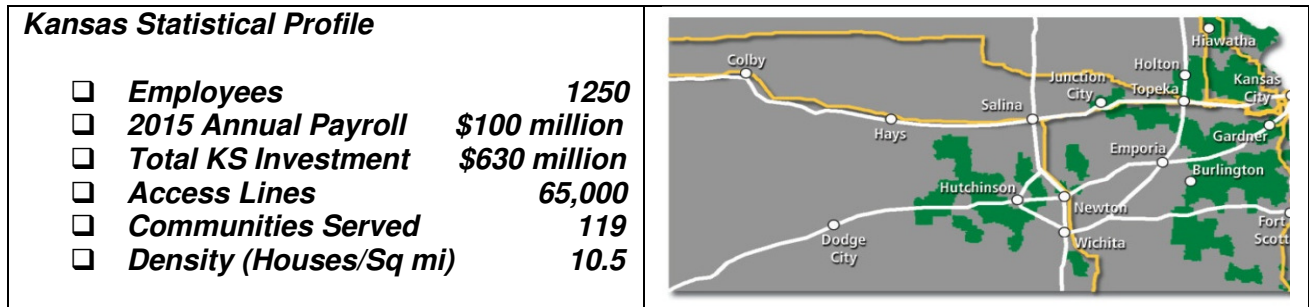
CenturyLink Introduction

CenturyLink is the second largest U.S. communications provider to global enterprise customers. With customers in more than 60 countries and an intense focus on the customer experience, CenturyLink strives to be the world's best networking company by solving customers' increased demand for reliable and secure connections. The company also serves as its customers' trusted partner, helping them manage increased network and IT complexity and providing managed network and cyber security solutions that help protect their business



CenturyLink In Kansas

CenturyLink has provided communications services in Kansas under various names since 1909 and today serves rural Kansans in 119 communities including Junction City, Fort Riley, Gardner, and 111 communities with fewer than 1000 residents. CenturyLink maintains a significant workforce in Kansas with nearly 1250 employees and has nearly \$650 million in Kansas investment. CenturyLink also has more than 1500 route miles of long-haul fiber optics throughout Kansas, including three east-west routes, two north-south routes and fiber rings in metro areas.



Modifying HPIP Provides Needed Flexibility

CenturyLink currently operates in all 50 states and 60 countries across the globe. The Kansas HPIP initiative truly differentiates Kansas from other states as CenturyLink maintains a significant Kansas workforce. Approximately 95% of these jobs support national or regional functions and the remaining 5% support Kansas-specific network operations.

CenturyLink's continued investment in Kansas over the past decade has allowed CenturyLink to utilize the HPIP initiative through the generation of credits and sales tax exemptions. However, due to a variety of reasons, including the ongoing and substantial investment in rural broadband deployment, CenturyLink has not been able to utilize all credits generated.

Modifying the HPIP initiative by extending the carry-forward period by six years at a reduced rate provides CenturyLink and other companies investing in Kansas with much needed flexibility and workability. It is a reasonable expectation for companies that invest in Kansas, follow the HPIP rules and earn the HPIP tax credits to be able to use the HPIP credits.

Conclusion

Senate Bill 334 allows for enhanced utilization of HPIP credits that have already been earned by companies operating and investing in Kansas. CenturyLink urges your support of Senate Bill 334.