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# HOWARD MARKLEIN

STATE REPRESENTATIVE • 51<sup>ST</sup> ASSEMBLY DISTRICT

## Senator Howard Marklein Testimony in Support of Senate Bill 334

Good morning Senators, and thank you for allowing me to testify in favor of Senate Bill 334. This bill attempts to address potential challenges to Wisconsin in the event of a state of emergency.

This legislation arose from the experiences of several telecommunications and utilities companies in the wake of Hurricane Sandy on the East Coast. With such a large scale disaster, it became necessary to bring volunteers and employees from across the country into states affected by Hurricane Sandy. Bringing infrastructure and basic services in these states back to working order as quickly as possible is paramount in the wake of large emergencies. Unfortunately, companies found regulatory obstacles to getting help into several states. After returning home from completing disaster related work in several states, many workers even received tax notices from state revenue departments. In times of emergency, our first call should be to restore basic infrastructure, and clear unnecessary obstacles to making that happen.

Senate Bill 334 creates an exemption from income, sales, and use taxes for workers helping to restore basic services in our state. It also creates an exemption to state or local fees, licenses, certificates, registration, and permitting requirements that could be applied to emergency work. This exemption comes into effect at the declaration of a state of emergency and applies to work related to that emergency that took place 10 days before or 60 days after the declaration. This is a limited exemption and does not apply to any personal or commercial work that is not related strictly to utility and telecommunications infrastructure.

21 other states across the country have adopted similar legislation to this proposal. In my corner of Southwest Wisconsin, bordering both Iowa and Illinois, having help from those states in the event of an emergency could prove particularly important. This bill is supported by broad group of legislators, both Democrat and Republican, as well as all the major utilities and telecommunications companies in our state.

Thank you again for allowing me the opportunity to testify in support of this bill, and I would welcome any questions.



### **SB 334 - Out-of-State Emergency Aid Workers Testimony**

Good morning and thank you for the opportunity to speak on this bill today. My name is Bill Skewes and I am the Executive Director of the Wisconsin Utilities Association (WUA). Joining me is Jennifer Janacek, Director of Tax for Alliant Energy and a member of WUA's Taxation Committee who is here to assist me in answering any tax questions of a technical nature.

We represent Wisconsin's investor-owned gas and electric energy providers and we are pleased to testify in support of SB 334. I appreciate the chair scheduling it for a hearing and for Sens. Marklein and Gudex for authoring this bill.

As you may know SB 334 exempts out of state utility workers who are in Wisconsin to help restore power and communications during a state of emergency, such as a tornado or flooding, from having to file Wisconsin income tax or pay state and local permit and license fees for the duration of that emergency plus 60 days.

We are seeking this legislation that has now passed in 21 other states to pre-empt a problem seen in the aftermath of Superstorm Sandy in 2012. In the energy industry, utilities across most jurisdictions cooperate with each other to help restore service during and after natural disasters.

We do this because heat, electricity and communications facilities are critical infrastructure that is crucial to quality of life and, in extreme instances, necessary to even sustain life itself. However, after Superstorm Sandy utility workers from around the U.S. who had volunteered to help restore power on the east coast were in some cases stopped in their tracks because they had not filed proper paperwork even though they were fully trained and licensed in their home states. This should never happen.

We should make things as easy as possible for out of state emergency aid workers who come to Wisconsin to help turn the lights back on, the phones back up and the heat flowing. Instead of sending them an income tax form, we should be sending them a thank you note.

Thank you and we'd be happy to answer any questions.



Senate Judiciary and Public Safety Committee Chairman and Members,

Thank you for the opportunity to express AT&T's support for Senate Bill 334. We would like to thank Senator Marklein for being the lead author of this important legislation.

Across the country, AT&T provides communications services that the public relies upon, and we are proud of our history of responding to emergency situations. With so much of the critical infrastructure being operated and maintained by private organizations, effective emergency planning and response systems require a partnership between the private sector and the government. AT&T understands that a functioning communications network is vital to mitigating the effects of declared disasters and, as always, AT&T is dedicated to providing high quality and reliable service in times of crisis.

No matter the disaster, planning and preparation are critically important to an efficient response by both the public and private sectors. For AT&T's part, this includes prepositioning assets and personnel and maintaining the flexibility to address different events. For example, there may be some advance warning of potentially devastating blizzards, floods and storms; but some potential harms, such as those from an earthquake or terrorist attack, come with little or no advance warning. We try to anticipate, plan, and prepare for the entire spectrum of possibilities, and we regularly train and re-certify our employees and partners who support this process. A key focus at AT&T is our on-going post-event analyses that identify lessons learned from our experience and from others during each event.

Many times, when a disaster occurs, AT&T may need to reassign technicians from other, unaffected areas to help recovery efforts. These technicians are often volunteering to leave their homes for up to three weeks to help another state recover, rebuild and get critical services back up and running.

What AT&T has learned along the way is that when disaster strikes, government, business, non-profits, and individuals all lend a hand to help repair and restore damaged property and services. Eliminating barriers that hinder response is key to any effective recovery. The ability to bring equipment, personnel, and other resources into the state from across the country to minimize the potential consequences of disasters and restore communications as quickly and efficiently as possible is vital to government, businesses, and the public at large.

Unfortunately, during past disasters, AT&T has encountered regulatory and legal roadblocks that have prevented our employees from getting on site and working as fast as possible. The goal of SB 334 is to temporarily relax regulatory, tax and licensing laws to allow out-of-state workers to come to Wisconsin and help us get back on our feet.



It is important to note that the language of the bill is limited to a very specific period of time and a very specific type of work. The rules are relaxed only when the Governor declares an emergency and only pertains to workers who are working on disaster-related work on critical infrastructure, which is defined as the networks of electric, telephone and cable operations.

It is also important to note that the tax rules do not exempt employees or employers from paying sales and use taxes while the employees are in state. If we need to bring employees from another state during a disaster, AT&T and those employees will pay all normal taxes such as hotel room taxes, gas taxes and sales taxes.

The bottom line is that SB 334 makes Wisconsin better prepared to receive help when it needs it most and makes it as efficient as possible for companies like AT&T to get our networks back up and running in the event of a large-scale disaster.

Thank you for considering SB 334 and thank you for your support.