

**MINUTES OF THE  
COMPETITION IN TELECOMMUNICATIONS INDUSTRY TASK FORCE**

Thursday, October 24, 2002 – 9:00 a.m. – Room 403 State Capitol

**Members Present:**

Sen. Beverly Ann Evans, Co-Chair  
Rep. Wayne A. Harper, Co-Chair  
Sen. Ron Allen  
Sen. Curtis S. Bramble  
Rep. David Clark  
Rep. Stephen D. Clark  
Rep. Ty McCartney

**Members Absent:**

Sen. Alicia Suazo  
Sen. John L. Valentine  
Rep. Brent H. Goodfellow  
Rep. Neal B. Hendrickson  
Rep. David Ure

**Staff Present:**

Ms. Jami Momberger, Research Analyst  
Mr. Thad LeVar, Associate General Counsel  
Ms. Patricia Owen, Associate General Counsel  
Ms. Jennifer Markham, Legislative Secretary

**Note:** A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or by contacting the task force secretary, Jennifer Markham, at 538-1032.

**1. Task Force Business**

Chair Harper called the meeting to order at 9:15 a.m. Chair Harper excused Sen. Valentine and Rep. Hendrickson from the meeting.

**MOTION:** Rep. McCartney moved to approve the minutes of the September 17, 2002 meeting. The motion passed unanimously, with Rep. Stephen Clark absent for the vote.

**2. Concepts for Draft Legislation**

Ms. Owen provided a summary of telecommunications taxation and rights-of-way legislative proposals and distributed “Legislative Proposals.”

**A. Telecommunications Tax Issues**

Mr. Paul Morris, Chair, Telecommunications Task Force of the Utah League of Cities and Towns, outlined the goals and concepts of his handout “Municipal Business License Tax Simplification” proposed by the Telecommunications Task Force of the Utah League of Cities and Towns.

Mr. Doug Hurst, Director, State & Local Tax Research, Qwest Communications, provided an overview of Qwest’s proposal and distributed “Telecommunications Tax Reform & Simplification.”

Mr. Bruce Johnson, Commissioner, State Tax Commission (Commission), expressed appreciation to the telecommunications industry and local governments for the work they have done on the telecommunication tax issues. He stated that tax simplification was one of the goals of the Commission. He confirmed that the tax burden was greater on the telecommunications industry than other industries. He indicated that the Commission could be the central collection point for taxes being discussed by the Task Force if it received an administrative fee that would be capped by Legislature. He expressed

concern that based on additional information the Commission had received, the Commission's earlier estimates of the fiscal impact of the proposals being considered by the Task Force should be reviewed thoroughly before decisions are made. He discussed the tax treatment of intangible personal property and the proposed equipment purchase tax exemption.

Mr. John Cmelak, Tax Director, Verizon Wireless, stated Verizon would like to extend the clarification of intangible personal property to all that are assessed by the State so everyone will be taxed similarly. He stated Verizon would consider eliminating the local tax repealer provision in their proposal if the municipalities' proposal and rates are reasonable.

Mr. John McNamara, Regional Tax Director, AT&T, suggested consideration of the Task Force proposals separately from the streamline sales tax issue because the streamline sales tax may not address the same concerns; and once implemented, the bundling issue will be resolved because all services are taxed.

#### **B. Longitudinal Access to Rights-of-Way**

Ms. Owens highlighted sections of the longitudinal telecommunications access included in the "Legislative Proposals" handout.

#### **3. Other Items/Adjourn**

The Task Force directed staff to continue drafting legislative language for the proposals that had been presented to the Task Force.

The next meeting is scheduled for November 8 at 9:00 a.m.

Chair Harper adjourned the meeting at 11:20 a.m.