



Testimony of Steve Rumschlag

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Good afternoon. I am Steve Rumschlag, Vice President, Business Operations at DirectSAT, an installation provider for DIRECTV services in Ohio. We made 103,270 visits to customers' homes in Ohio in 2014. DirectSAT has 142 technicians, 19 staff, and 3 offices in the State of Ohio, located in Findlay, Dayton, and Cambridge. I work out of the Findlay facility.

As you are considering the state budget, I am here today to urge you to repeal the unfair 5.75% tax on satellite TV.

Consumers choose a TV provider –for example, DIRECTV or Comcast--based on what that TV provider can offer a consumer, and at what price. A government tax policy that gives one TV provider a pricing advantage over a competitor is fundamentally unfair and distorts the free marketplace. Such policy not only hurts business, large and small, but also the consumer, since fair competition promotes companies to not only bring price to the table but innovation in their service as well; the lack of such fair competition results in the consumer not being able to choose between similar offers.

In this context, the legislature has the opportunity right now to correct the distorted TV provider marketplace and level the playing field between satellite and cable by repealing this satellite-only tax.

While the Ohio satellite-only tax hurts families and small businesses around the state, it is particularly unfair in rural areas, including where we work, that cable refuses to serve. Cable frequently ignores the rural customer because it's not cost effective to reach that customer. As you look at the budget, please keep in mind that you have the power to change the mindset that says it's okay to ignore the customers in the areas cable can't or won't go.

As a business that depends on competition in the video services market, we urge you to repeal the discriminatory satellite-only TV sales tax. Consumers should be able to choose the TV service they prefer based on what they care about - better programs, better service, and better prices. Please join the 45 other states that treat satellite and cable the same.