



March 15, 2005

Dear Chairman King and Members of the Regulated Industries Committee:

AeA Texas Council would like to express its opposition to Section 54.202 of the Texas Telecommunications Bill (HB 789) that prohibits a municipality from offering services, specifically broadband services to Texans.

AeA Texas Council and our member companies support a statewide broadband deployment policy for unserved and under-served areas of Texas. We believe statewide deployment of broadband Internet access is crucial in disseminating information to Texas citizens. Broadband has become critical for economic growth. It also provides an added value to individuals in the areas of healthcare, education and workforce skills.

Municipalities should not face government prohibition from offering broadband services when they see the needs of the citizenry are not being met by private industry. Outright prohibitions and unreasonable restrictions on municipalities will only further hinder progress being made on statewide deployment. A carve out allowing municipalities to construct broadband facilities to only serve public parks and libraries is not sufficient. AeA believes the provision in House Bill 789 on the prohibition of municipal services will negatively impact delivery of crucial broadband services to Texas residents.

The current version of the bill:

- precludes municipalities from providing or partnering with the private sector to extend the reach of high-speed broadband -- which is essential to keeping America competitive with the leading countries around the world
- effectively precludes municipalities from utilizing broadband as tool for economic growth or bridging the digital divide
- prevents cities from enabling broadband access even if their residents are so remote or rural that they don't have broadband access
- runs directly counter to national policy to encourage the widespread deployment of broadband including broadband over power lines
- Could lead to unintended consequences and leave Texas behind in the race to provide universally available broadband access.

AeA, the nation's largest high-tech trade association, has over 3,000 technology members across the country. We represent all segments of the technology industry and are dedicated solely to helping our members' top line and bottom line. AeA does this in partnership with its small, medium, and large member companies. Currently, AeA has 18 offices in and around the United States, as well as offices abroad in Brussels and Beijing.

Thank you for your time and attention to this issue. We look forward to working with you and the members of the House Regulated Industries Committee to ensure that our broadband policies protect competition and the interests

and needs of Texans. Please contact Chrissy Camacho, legislative director for the AeA Texas Council if you have any questions or need additional information.

Sincerely,

Gray Mayes
Texas Instruments
Co-Chair, AeA Texas Policy Committee

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