



Young Conservatives
of Texas
LEGISLATIVE AFFAIRS

Testifying in Opposition to SB 713 for the extension of HB 2128 Discounts before the Senate Business & Commerce Committee State Capitol, Austin, Texas March 8, 2011

Young Conservatives of Texas (YCT) opposes the extension of state-mandated telecommunications and technology discounts for hospitals, libraries and schools. It seems that only in government circles can a temporary program quickly find its way into permanency. What this Texas Legislature originally envisioned as a temporary program aimed at wiring hospital, libraries and schools with the latest telecommunication and technology infrastructure and access is now 15 years old.

YCT opposes price control setting by government and placing an added burden on businesses who employ people in the state of Texas. This program went from six years of state-mandated discounted rates for data service to select entities to 15 years, and now, state leaders are poised to extend these discounts a full 12 years more.

Placing these sorts of regulations on business are bad public policy. Not only does the regulation constitute theft from the telecommunications industry by forcing them to do what otherwise would not be profitable, but the very nature of business dictates that these costs will be passed on to consumers in the form of higher fees as companies scramble to recover lost profits.

Texas leads the nation in job creation because we have a predictable regulatory environment. Extending these discounts is not smart public policy, and YCT would argue it sets a dangerous precedent that could encourage or allow for future free market manipulation of communication services and costs. We need to trust competition in the marketplace, not government intervention, to provide for the needs of our state.

These are tough economic times, to be certain, and we could all use help in saving money and reining-in expenses. But YCT is concerned that HB 2128's directive for companies to provide services at 5 percent over cost is an unfair, unreasonable, and unnecessary regulation on Texas businesses.

For more information, please do not hesitate to contact me.

Tony McDonald
Senior Vice Chairman
Young Conservatives of Texas
512-923-6893
tony.mcdonald@yahoo.com