

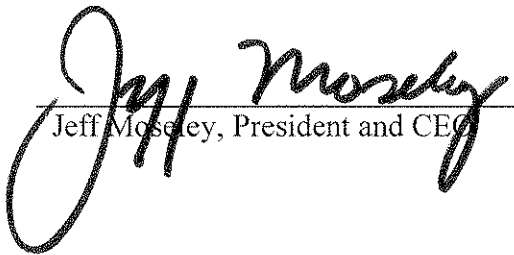
**Resolution of the Executive Committee In Support of  
Legislation to Discontinue the Telecommunications Infrastructure Fund**

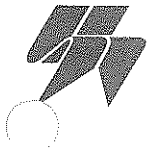
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The Greater Houston Partnership supports legislation that will discontinue the Telecommunications Infrastructure Fund ("TIF"). The fund's purpose to increase wiring of deployment broadband services to public schools, libraries and non-profit hospitals has been fulfilled. Therefore the Greater Houston Partnership calls for ending this unnecessary tax on individuals and businesses.

  
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John D. Hofmeister, Chairman

  
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Daniel J. Wolterman, Secretary

  
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Jeff Moseley, President and CEO



**MEMORANDUM**

**DATE:** April 18, 2007

**TO:** Greater Houston Partnership Board of Directors

**FROM:** Wayne McConnell, Chairman  
Business Issues Advisory Committee

**SUBJECT:** Resolution of the Executive Committee In Support of  
Legislation to Discontinue the Telecommunications Infrastructure Fund

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**RECOMMENDATION**

The Greater Houston Partnership supports legislation that will discontinue the Telecommunications Infrastructure Fund (“TIF”). The fund’s purpose to increase wiring of deployment broadband services to public schools, libraries and non-profit hospitals has been fulfilled. Therefore the Greater Houston Partnership calls for ending this unnecessary tax on individuals and businesses.

**BACKGROUND**

The Telecommunications Infrastructure Fund (“TIF”) was created by the Texas Legislature in 1995 to provide funding to schools, libraries, universities and public hospitals for computers, telecommunications networks, training and other technology-related projects. The bipartisan consensus is that the fund has served its purpose and is no longer used to fund technology projects.

House Bill 735 and companion legislation has been filed to repeal the fund and discontinue assessing the obsolete tax. This legislation will not affect separate programs that provide discounts on telecommunications services for schools, libraries and hospitals.

The fund generates close to \$400 million bi-annually from Texas telephone consumers and reached the \$1.5 billion cap in 2003. Due to a state budget crisis in 2003, the TIF was extended and the funds were directed into the state’s General Revenue.

The TIF is assessed on monthly wireless, long-distance, local telephone and paging bills. On a \$50 bill, the amount would be approximately 63 cents.

**FISCAL IMPACT:**

If the demonstration program is successful, significant reduction in consumer costs will be realized.

**KNOWN OPPOSITION:**

There is no known opposition to this initiative

**RESOURCES REQUIRED:**

This recommendation can be implemented with available Greater Houston Partnership staff and within current operating budget resources.