



CITY OF HOUSTON

Sylvester Turner

Mayor

Tina Paez
Director
P.O. Box 1562
Houston, Texas 77251-1562

T. 832.393.8531
F. 832.393.8527
www.houstontx.gov/ara/

March 27, 2019

Dear Members of the Houston Legislative Delegation,

We, the Mayor of Houston and the members of the Houston City Council, would like to express our firm opposition to Senate Bill 1152 and House Bill 3535 relating to the payment of fees to local governments by telecommunications companies. As the mayor and city council members representing over 2 million constituents, we strongly urge you to consider the burdensome impact of these bills on cities, which are the economic engine of Texas. Our main concern is the limitation of the City's ability to collect franchise fees for the use of our right-of-way.

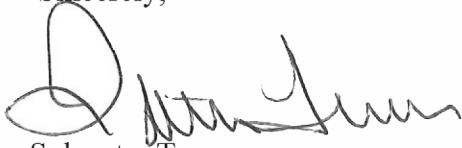
The City of Houston operates under a strict revenue cap. We were hit hard by Hurricane Harvey. We are now implementing Proposition B, a voter-approved pay raise for firefighters expected to add \$80 million to our budget gap. City council and the mayor work together every year to close the budget gap, often by making difficult decisions and reductions. And now, the state legislature proposes to arbitrarily take another \$17-27 million from our budget and hand it to corporations.

SB 1152 and HB 3535 reduce the amount of compensation received by the City from companies using the right-of-way by allowing a provider of both telecommunications and cable/video services to pay only one fee for multiple uses of the public asset. It is analogous to a homeowner asking the legislature to pass a bill allowing him/her to pay only the lesser of a telephone or cable bill to the provider, while still receiving both services.

These bills will affect the level of service the City provides to its residents and will likely result in job losses. For example, \$17-27 million would fund 707 police cadets, 225 classified employees or 337 full time civilian employees. Telecommunications and cable/video service providers profit from using the public right-of-way. Under the State Constitution, the City is required to be compensated by those private entities that benefit (and profit) from the use of public property. The proposed bill is akin to an unfunded mandate for municipalities, and since there is no guarantee these funds will be passed on to their customers, it amounts to a taxpayer-funded windfall to massive corporations.

The City has the duty to ensure the health, safety, and welfare of the public and to preserve the future use and enjoyment of the right of way. We, as council members, are the ones who get calls from citizens when there are incidents in the right-of-way, such as traffic accidents or impediments limiting access to a sidewalk or public facility. We respectfully ask that you continue to allow us to be fairly compensated by those private entities that profit from the use of public property.

Sincerely,



Sylvester Turner,
Mayor, City of Houston



Ellen Cohen
Mayor Pro-Tem,
Council Member, District C



Brenda Stardig
Council Member, District A



Dave Martin
Council Member, District E



Karla Cisneros
Council Member, District H



Mike Laster
Council Member, District J



David Robinson
Council Member, At-Large Position 2



Amanda Edwards
Council Member, At-Large Position 4



Jerry Davis,
Vice Mayor Pro-Tem,
Council Member, District B



Dwight Boykins
Council Member, District D



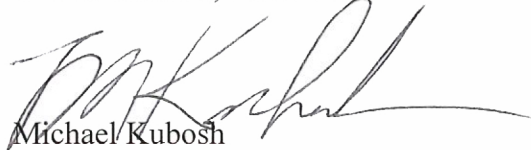
Steve Le
Council Member, District F



Robert Gallegos
Council Member, District I



Martha Castex-Tatum
Council Member, District K



Michael Kubosh
Council Member, At-Large Position 3



Jack Christie
Council Member, At-Large Position 5