



May 24, 2010

**Don't Slow Broadband Deployment:  
Oppose the Misnamed Advanced Broadband Infrastructure Act of 2010!**

Dear Senator:

On behalf of the National Taxpayers Union's 5,700 members in Tennessee, I urge you to oppose the Advanced Broadband Infrastructure Act of 2010, contained in the Governor's amendment to SB 3880. The amendment would reverse current law to allow localities to build their own communications networks beyond their jurisdictional limits. If enacted, this amendment would unnecessarily expand the size and reach of government at taxpayer expense, and drive out private industry from the state, taking investment and jobs with it.

There is no question that broadband expansion brings economic growth through more investment and job creation. Thus, government should work to remove barriers to broadband deployment, such as through lowering taxes and reducing the regulatory burden on telecommunications. Tennessee has already taken a step in this direction by enacting legislation to create a level competitive playing field between government and private companies – one that has provided consumers with more choices and lower prices for broadband service.

However, the Advanced Broadband Infrastructure Act of 2010 would reverse current law to eliminate this competition and favor Government Owned Networks (GONs). By allowing GONs to expand, the amendment would undermine market forces, driving up broadband prices and driving away investment along with jobs. Also, GONs are not necessarily better or less costly than private networks. In fact, Memphis Networkx lost \$28 million alone.

Further, the amendment would take money from the state's general fund to provide for the expansion of GONs, which will increase the pressure for new receipts in the form of more borrowing and higher taxes. This proposal to expand GONs would likewise add to the size of government by vastly expanding the reach of the Tennessee Regulatory Authority. In the midst of this recession, it is especially ill-advised to increase spending on unnecessary or unaffordable programs. Hard-working families have already tightened their belts to survive this recession; it is only reasonable for their government to do the same.

Tennesseans benefit from private broadband networks. The Advanced Broadband Infrastructure Act of 2010 would favor GONs, which will deprive consumers of choice and lead to less dependable service, higher prices, and a loss of investment. Tennessee should not be diverted from its prudent path toward more aggressive development of telecommunications capacity. Therefore, I urge you to reject the Advanced Broadband Infrastructure Act of 2010.

Sincerely,

John Stephenson  
State Government Affairs Manager

