

Advisory Council on the Digital Economy

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REMARKS OF LT. GOV. RICK PERRY TO THE 1st MEETING OF THE ADVISORY COUNCIL ON THE DIGITAL ECONOMY

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(Note: Perry frequently deviates from prepared text)

Thank you Mr. Chairman. Let me begin my thanking you all for your service to our state. I know that your most valuable asset is time. But I think it'll be time well spent.

Much as the explorers of the past discovered and mapped the New World, your job is to help Texas explore and map the new information technology economy. As leaders of the various segments of that New Economy, I hope you can help foster understanding between technology and government and help us create a long-term strategy for making Texas the world's leader in technology research, development, innovation and job creation.

I know that some of you are uncomfortable hearing the words "government" and "technology" in the same sentence. That's why I believe the first rule for government leaders considering technology policies must be "do no harm" - whether it's considering new taxes or regulations or trying to choose winners and losers in the effort to expand broadband access in Texas.

Government can help create a climate of opportunity for technology. And technology can help make government more efficient and user-friendly. But we need your guidance to help us along the way.

I believe that the most important issue we deal with as a state - and the most important issue you will deal with as a council - is educating our children. I encourage you to look at how we can use technology to deliver education effectively and affordably to every corner of our state. The Internet makes vast distances irrelevant, bricks and mortar classrooms less important, and opens the world to new lifetime learning opportunities. I want Texas to help lead the way.

Since the students of today become the workforce of tomorrow, I hope you'll examine what job skills are most important in the New Economy. How can we encourage a new generation of microprocessor designers and software engineers and entrepreneurs to help create the jobs our state needs?

In recent years Texas has led the way in cutting taxes, reducing frivolous and junk lawsuits, and pursuing sound regulatory policies. So it should come as no surprise that during the 1990s, Texas added more high-tech jobs than any state in the union.

We need those jobs and opportunities, but they come with strings attached. Those of us living in our state's technology centers have seen first hand what a booming economy does to traffic, the cost of living and to the environment. I hope we can tap into the brainpower in this room to help us address those quality of life challenges. And I hope you can help us harness technology to expand those business, education and job opportunities into rural Texas.

There's a great deal of talk around the country about taxing the Internet. A recent study found that nationally, the growth of the Internet generated revenue of \$301 billion and was responsible for about 1.2 million jobs in 1998. And that's just the tip of the iceberg. For some politicians, that's a mighty tempting target.

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But today in Texas our budget is balanced and our economy is strong. Last week, The Wall Street Journal reported that retail sales - and the corresponding state sales tax revenue - surged last year.

All of this tells me that Texas does not need to consider raising taxes or putting new taxes or regulations on the Internet or e-commerce.

What we should do - and what I hope this Council does - is to examine what the Internet and e-commerce will mean, in the long run, for commerce and state revenue. That way we can recognize trends and avoid surprises.

The rise of the New Economy and e-commerce can also be a tempting target for lawsuit abuse. In the past few years, we have reformed our tort laws. But there may be more work to do, such as ensuring that class action lawsuits do not undermine technology capital and technology innovation.

Let me close by mentioning one last issue that is critical to our technology future - and that's access. Texas is known as a land of limitless opportunity. For generations, anyone who worked or studied hard could achieve their dreams of a better life.

In the New Economy, opportunity will increasingly require access to computers and the Internet. Texas must bridge the so-called digital divide to get technology to people of every color, every income level, and every corner of this big and diverse land. We all want Hispanic, African-American, Asian and Anglo children to have equal opportunities to succeed, whether they live in Plano or Plainview or Presidio.

You all have a lot of ground to cover. And I haven't even mentioned issues of privacy, access to capital, or tele-medicine. I encourage you to ask the tough questions - to debate one another about the best, most efficient means of solving the workforce, quality of life and regulatory issues facing Texas. And I encourage you to be involved in shaping the vision of Texas in the New Economy.

You can help government understand technology better and in the process, help the technology community understand government better. There's a lot of talent and experience and brainpower assembled in this group, and you're all used to giving orders. I don't envy the guy in charge of keeping order. But I know that if anyone in Texas can do it, Mike Maples can. He's strong and smart and the consummate leader. So I'm leaving you in good hands.

Thank you again for agreeing to serve our state. This is an opportunity for us to work together to make Texas the capital of the New Economy and to unleash unprecedented opportunity and prosperity for every citizen of this great state.

Thank you.

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