



January 28, 2011

Indiana State Representative Jeff Espich  
Chair, Ways & Means Committee  
Indiana House of Representatives  
200 W. Washington St.  
Indianapolis, IN 46204-2786

Indiana State Representative Suzanne Crouch  
Vice Chair, Ways & Means Committee  
Indiana House of Representatives  
200 W. Washington St.  
Indianapolis, IN 46204-2786

Dear Representatives Espich and Crouch:

I strongly urge you to oppose HB 1382, a bill recently introduced into the Indiana legislature that would impose a tax on satellite TV subscribers while reducing cable's franchise fee throughout the state.

I co-own Applied Instruments, Inc. which employs 31 people in Indianapolis. We design and manufacture RF test instrumentation used in the satellite industry.

HB 1382's proposed tax singles out and harms satellite TV customers. The real meat of the issue is that cable companies have been paying franchise fees and satellite has not. Why? Very simply it's because:

- cable companies have been granted a geographic region where they are protected from having to compete with other cable companies (typical for franchises), and
- cable companies utilize public rights of way for their network equipment and maintenance

Satellite companies have not, and should not, be subjected to franchise fees or additional taxes because:

- they are not granted geographic regions where they are protected from having to compete with other satellite companies, and
- they do not utilize public rights of way, but rather incur great expense in building, launching, and maintaining satellites in space

No need to feel sorry for the cable companies. They are receiving a nice return on their investment from franchise fees. Their strong profits and competitive advantage are primarily due to providing high speed internet through their fiber/coax networks located in our public rights of way.

Please oppose HB 1382, the discriminatory tax on satellite customers. Feel free to contact me with any questions or comments. Thank you.

Sincerely,

Thomas S. Haywood, President (thaywood@appliedin.com)

cc: Indiana House Ways & Means Committee

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