

March 1, 2021

The Honorable Greg Abbott
Governor of the State of Texas
1100 Congress Ave., Room 2S.1
P.O. Box 12428
Austin, TX 78711

The Honorable Dan Patrick
Lt. Governor of Texas
The Capitol, Room 2E.13
P.O. Box 12068
Austin, TX 78711-2068

The Honorable Dade Phelan
Speaker of the Texas House of Representatives
State Capitol, Room 2W.13
P.O. Box 2910
Austin, TX 78768-2910

Dear Governor Abbott, Lt. Governor Patrick and Speaker Phelan:

In January of 2020, the Dallas Federal Reserve Bank predicted, “While uncertainty is greater than normal, leading indicators and the current momentum of job growth suggest that the long expansion in the state is likely to continue next year.” This outlook, based on favorable market conditions at the time, was upended by a pandemic that has hobbled America’s most promising state economy.

Texas endured severe economic hardship in 2020 caused by lockdowns, school closures, a severe downturn in the oil and gas industry, and a lack of consumer confidence. The state now faces billions of dollars in damages from Winter Storm Uri, putting new financial constraints and pressures on Texans and our leaders. Comptroller Glenn Hegar warned of budget deficits since July 2020, and even prior to Winter Storm Uri revealed that the state was facing a nearly \$1 billion shortfall and an economic future that remains “clouded in uncertainty.” Anticipating this budget shortfall, state leadership thoughtfully instructed agencies, state boards, appellate court justices and judges, and institutions of higher education to reduce their budgets by 5 percent – a step that demonstrated a commitment to protecting taxpayers and softening the impact of looming deficits.

Although Texas is certain to emerge from the pandemic and the winter storm aftermath as resilient as ever, the financial shortfalls will require budget writers to make difficult decisions as they ensure our most critical current and future needs are funded.

This important fiscal discipline stands in stark contrast to recent reports from The Associated Press regarding the Texas Attorney General’s request for the Texas Legislature to appropriate \$43 million of Texas taxpayer money to compensate outside counsel for a lawsuit against Google.

We are particularly concerned by reports that although the lawsuit was supposed to have been handled internally, without the need for expensive outside legal counsel, those resources are no longer available. As legislators are challenged to decide which key state programs will be cut or reduced to comply with Texas’ balanced budget requirement, it is unacceptable that a request to fund \$43 million in outside attorneys fees would even be considered.

Even-handed antitrust enforcement is important to a functioning economy. As organizations vested in protecting the interests of Texas taxpayers, we ask that you and leaders in the Texas Legislature reject the Attorney General’s irresponsible request. Massive lawsuits from the Department of Justice as well as 38 states are already underway. Spending \$43 million in Texas taxpayers’ money will not appreciably change this dynamic. Especially during difficult times such as these, it is critical that taxpayers and consumers are at the center of antitrust enforcement.

Thank you for your consideration, and should you wish to discuss this matter further we are available at your request.

Respectfully,



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Institute



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NetChoice



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