

SUBJECT: Prohibiting certain airport infrastructure contracts

COMMITTEE: Transportation — committee substitute recommended

VOTE: 13 ayes — Canales, E. Thompson, Ashby, Bucy, Davis, Harris, Landgraf, Lozano, Martinez, Ortega, Perez, Rogers, Smithee

0 nays

WITNESSES: For — Frank Moore, Jetway Systems; Terri Hall, Texas TURF, Texans for Toll-free Highways

Against — None

BACKGROUND: Concerns have been raised about the economic threat to American companies posed by intellectual property theft by foreign entities, particularly with regard to airport infrastructure in Texas.

DIGEST: CSHB 1739 would prohibit a local government or person operating an airport on behalf of a local government from entering into an airport infrastructure or equipment contract with:

- an entity that a federal court determined had misappropriated intellectual property or trade secrets from another entity organized under federal, state, or local law and was owned by, controlled by, or received subsidies from the government of a country that, under the U.S. Trade Act of 1974, was identified as a priority foreign country or was subject to federal monitoring; or
- an entity that owned, controlled, was owned or controlled by, was under common ownership with, or was a successor to such an entity.

An airport infrastructure contract entered into by a local government or person acting on its behalf would have to include a written statement by the entity with which the local government or person was contracting verifying that the entity was not an entity described by the bill. If the

statement was found to be false, the contract would be voidable by the local government or person operating the airport.

CSHB 1739 would apply only to contracts entered into, modified, or renewed on or after the bill's effective date.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2021.