

Amend **SB 21** (house committee printing) as follows:

(1) Strike SECTION 11 of the bill (page 16, lines 1-3), and substitute the following:

SECTION 11. Section 56.025(a), Utilities Code, is amended to read as follows:

(a) In addition to the authority provided by Section 56.021, for each local exchange company that serves fewer than 31,000 [~~five million~~] access lines and each cooperative, the commission:

(1) may adopt a mechanism necessary to maintain reasonable rates for local exchange telephone service; and

(2) shall adopt rules to expand the universal service fund in the circumstances prescribed by this section.

(2) In SECTION 13 of the bill, in added Section 56.029(h), Utilities Code (page 18, line 25), between the period and "Not", insert "The commission shall also review and make recommendations on any mechanisms adopted under Section 56.025."

(3) In SECTION 13 of the bill, in added Section 56.029(h), Utilities Code (page 18, line 26), strike "this issue" and substitute "these issues".

(4) In SECTION 25 of the bill, in added Section 66.002(6)(B)(iv), Utilities Code (page 53, line 16), strike "non-cable service" and substitute "non-cable service or non-video service".

(5) In SECTION 25 of the bill, in added Section 66.002(6)(B)(iv), Utilities Code (page 53, lines 18-19), strike "(but not excluding Internet protocol cable services or Internet protocol video services)" and substitute "(but not excluding cable services or video services)".

(6) In SECTION 25 of the bill, in added Section 66.002(6)(B)(iv), Utilities Code (page 53, line 21), between "service" and "in", insert "or non-video service".

(7) In SECTION 25 of the bill, in added Section 66.002(7), Utilities Code (page 56, lines 2-3), strike "subscribers in a particular municipality" and substitute "cable subscribers in a particular municipal franchise area".

(8) In SECTION 25 of the bill, in added Section 66.003(a), Utilities Code (page 57, line 4), between "expires" and the period,

insert ", except as provided by Section 66.004".

(9) In SECTION 25 of the bill, in added Section 66.004(a), Utilities Code (page 59, line 3), between "chapter" and "until", insert "as to those municipalities", and strike "the later of January 1, 2008, or".

(10) In SECTION 25 of the bill, in added Section 66.004(a), Utilities Code (page 59, line 4), between "agreement" and the period, insert ", except as provided by Subsections (b) and (c)".

(11) In SECTION 25 of the bill, in added Section 66.004, Utilities Code (page 59, between lines 4 and 5), between added Subsections (a) and (b), insert the following and reletter added Subsections (b)-(d) as (d)-(f) respectively:

(b) Beginning September 1, 2005, a cable service provider or video service provider that is not the incumbent cable service provider and serves fewer than 40 percent of the total cable customers in a particular municipal franchise area may elect to terminate that municipal franchise and seek a state-issued certificate of franchise authority by providing written notice to the commission and the affected municipality before January 1, 2006. The municipal franchise is terminated on the date the commission issues the state-issued certificate of franchise authority.

(c) A cable service provider that serves fewer than 40 percent of the total cable customers in a municipal franchise area and that elects under Subsection (b) to terminate an existing municipal franchise is responsible for remitting to the affected municipality before the 91st day after the date the municipal franchise is terminated any accrued but unpaid franchise fees due under the terminated franchise. If the cable service has credit remaining from prepaid franchise fees, the provider may deduct the amount of the remaining credit from any future fees or taxes it must pay to the municipality, either directly or through the comptroller.

(12) In SECTION 25 of the bill, in added Section 66.005(b), Utilities Code (page 61 line 9), strike "or the state".

(13) In SECTION 25 of the bill, in added Section 66.006(a), Utilities Code (page 61, line 17), strike "or January 1, 2008,

whichever is later".

(14) In SECTION 25 of the bill, in added Section 66.006(b), Utilities Code (page 62, line 8), strike "or January 1, 2008, whichever is later".

(15) In SECTION 25 of the bill, in added Section 66.008, Utilities Code, on page 63, line 21, strike "(a)", and on page 63, line 27 through page 64, line 44, strike all of Subsection (b).

(16) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS accordingly:

SECTION___. Section 55.015, Utilities Code, is amended by amending Subsections (a), (c), and (d) and adding Subsections (b-1), (d-1), and (d-2) to read as follows:

(a) The commission shall adopt rules prohibiting a certificated provider of local exchange telephone service [~~telecommunications provider~~] from discontinuing basic network services listed in Section 58.051 [~~local exchange telephone service~~] to a consumer who receives lifeline service because of nonpayment by the consumer of charges for other services billed by the provider, including interexchange telecommunications [~~long distance~~] service.

(b-1) The commission shall adopt rules requiring certificated providers of local exchange telephone service to implement procedures to ensure that all consumers are clearly informed both orally and in writing of the existence of the lifeline service program when they request or initiate service or change service locations or providers. On or before June 1, 2006, the commission shall enter into a memorandum of understanding with the Health and Human Services Commission and, to the maximum extent feasible, housing authorities in the principal cities of each metropolitan statistical area, to improve enrollment rates in the lifeline service program.

(c) A certificated provider of local exchange telephone service [~~telecommunications provider~~] may block a lifeline service participant's access to all interexchange telecommunications [~~long distance~~] service except toll-free numbers when the participant owes an outstanding amount for that service. The provider [~~telecommunications provider~~] shall remove the block without

additional cost to the participant on payment of the outstanding amount.

(d) A certificated provider of local exchange telephone service [~~telecommunications provider~~] shall offer a consumer who applies for or receives lifeline service the option of blocking all toll calls or, if technically capable, placing a limit on the amount of toll calls. The provider may not charge the consumer an administrative charge or other additional amount for the blocking service.

(d-1) A certificated provider of local exchange telephone service shall provide access to lifeline service to a customer whose income is not more than 150 percent of the applicable income level established by the federal poverty guidelines or in whose household resides a person who receives or has a child who receives:

(1) Medicaid;

(2) food stamps;

(3) Supplemental Security Income;

(4) federal public housing assistance;

(5) Low Income Home Energy Assistance Program (LIHEAP) assistance; or

(6) health benefits coverage under the state child health plan under Chapter 62, Health and Safety Code.

(d-2) A certificated provider of local exchange telephone service shall provide consumers who apply for or receive lifeline service access to available vertical services or custom calling features, including caller ID, call waiting, and call blocking, at the same price as other consumers. Lifeline discounts shall only apply to that portion of the bill that is for basic network service.