

Amend **SB 21**, Floor Amendment No. 1, as follows:

(1) Delete new CHAPTER 66 of the amendment.

(2) Add the following new appropriately numbered SECTION and renumber subsequent SECTIONS accordingly:

SECTION . STUDY ON RIGHT-OF-WAY USE AND COMPENSATION PAID TO GOVERNMENTAL ENTITIES BY COMMUNICATIONS AND TECHNOLOGY SERVICE PROVIDERS. (a) In this Section, "committee" means the Telecommunications Competitiveness Legislative Oversight Committee.

(b) The committee shall conduct a comprehensive study and file a report with the legislature not later than November 1, 2006, containing the committee's revenue-neutral, technology-neutral, and competitively neutral recommendations concerning compensation paid to governmental entities, including municipalities, by communications and technology service providers. The report shall address the following items:

(1) all sources of compensation historically paid to municipalities and other governmental entities by communications and technology service providers for the use of the public rights-of-way;

(2) the types of communications and technology services available to consumers within municipalities, without regard to the technology used to deliver such services;

(3) alternative funding mechanisms, including the possibility of a new communications and technology assessment that would include all types of communications and technology service providers and that would be technology-neutral, revenue-neutral to the municipalities, and competitively neutral in application to the providers, their services, and consumers;

(4) the mechanism for the assessment, collection, and payment of any fee, including franchise fees and right-of-way use compensation paid to municipalities;

(5) the advantages and disadvantages of state-issued franchises for the provision of cable and video services versus municipally issued franchises for the provision of those services;

(6) the proper terms and conditions of a state-issued franchise for the provision of cable and video service if such

franchise is recommended, and how the terms and conditions would be imposed and enforced;

(7) the proper state agency for issuing a state-issued franchise for the provision of cable and video service if such franchise is recommended;

(8) the role of a municipality if the state issues a franchise authorizing the provision of cable and video service within the municipality, if franchising by the state is recommended;

(9) whether any cable and video service provider should be exempt from the application of a franchise requirement, and, if so, the reasons for such exemption;

(10) issues with regard to the imposition of state highway right-of-way charges on communications and technology service providers; and

(11) a review of how utility relocation costs are apportioned among communications and technology service providers when a utility relocation in the public right-of-way is necessitated by a public improvement project.

(c) The Public Utility Commission of Texas shall:

(1) assist with the collection and compilation of information necessary to conduct the study under this section;

(2) maintain the confidentiality of information collected under this section that is claimed to be confidential for competitive purposes; and

(3) provide a summary of any congressional or federal agency actions that have an impact on issues reviewed by the committee.

(d) Information that is claimed to be confidential under Subsection (b) of this section is exempt from disclosure under Chapter 552, Government Code.

(e) The committee may request reports and other information from the Public Utility Commission of Texas, from governmental entities, and from communications and technology service providers as necessary to carry out this section.